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PEOPLE
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Taxes at Spanish Coast

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Clinton Gives China Year's Extension of Low Tariffs

But President Reiterates Demand That Beijing Improve Rights Record

By Daniel Williams
Washington Post Service
WASHINGTON — President Bill Clinton said Thursday that he would continue favorable trade status for China during the coming year, with further extensions conditional on human-rights progress.

But two other issues of contention — compliance with U.S. standards for free commerce and arms proliferation — will be handled separately.

The steps represented a retreat from Mr. Clinton's pledges during the presidential campaign, when he endorsed legislation that would give China's most-favored-nation status to human rights, arms sales and trade. Mr. Clinton had accused his predecessor, President George Bush, of ignoring China's human-rights record when he vetoed the bills.

After months of review and unsuccessful efforts to press China for cooperation, Mr. Clinton altered his approach. During a televised "town meeting" from the White House Rose Garden, he said the main goal of supporting market reform in China and ensuring that American businesses win a significant share of Chinese commerce influenced his decision.

"I basically have decided to extend most-favored-nation status for a year," he said, "because I want to support modernization in China and it's a great opportunity for America there."

"But I want to make it clear to them," he added, "that there has to be some progress on human rights." He specifically referred to China's use of prison labor.

"Our trade disputes and our disputes about arms sales, I'm going to take out of this issue and negotiate with them directly."

Mr. Clinton characterized the omission of trade and arms sales as a gesture of conciliation with Beijing. "I think they'll appreciate the gesture I'm making, but I hope they understand that the United States just can't turn its back on the abuse of lots of people," he said.

The United States offers most-favored-nation status to most of its trading partners, making them eligible for the lowest available tariffs on their exports. It has offered that status to an average of nearly 40 percent from about 2 percent currently.

Administration officials pressed the idea that the policy will permit Mr. Clinton to be tougher on China. Most-favored-nation status, if revoked, would only increase tariffs on Chinese goods, they argued. Other laws could result in See CHINA, Page 2

A Bruised Major Shuffles Cabinet, Lamont Is Out

By William Schmidt
New York Times Service
LONDON — In a bid to restore ebbing public confidence in his government, Prime Minister John Major reshuffled his cabinet on Thursday, dumping Norman Lamont, the chancellor of the Exchequer who has presided over Britain's longest recession since the 1930s.

Mr. Lamont, 51, had become the chief target of the prime minister's critics, and a national symbol — some would say scapegoat — of the government's political decline, as unemployment rose to more than 3 million during the first year of Mr. Major's government.

In a letter to Mr. Lamont, Mr. Major sought to soften the blow to his longtime friend and ally, praising the chancellor for his "outstanding achievements," including policies that reduced inflation in Britain to barely 2 percent, its lowest level in more than 30 years.

But in a separate statement, Downing Street officials said the prime minister had concluded that it was time to "refresh the government."

In addition to dropping Mr. Lamont, who will be replaced by Kenneth Clarke, 53, currently serving as home secretary, Mr. Major shuffled 5 of the 21 cabinet posts. Neither the foreign nor defense portfolio was affected.

Among the other changes, Michael Howard, 51, the current environment secretary, will succeed Mr. Clarke as home secretary, and Gillian Shephard, 53, now employment secretary, was promoted to head the Ministry of Agriculture, Fisheries and Food. Mrs. Shephard is one of two women serving in Mr. Major's cabinet.

It is not clear whether the changes signal a shift in the government's handling of the economy or other policies, although some analysts describe Mr. Clarke as a political pragmatist See CABINET, Page 5

Car Bomb Devastates Uffizi Gallery in Florence

5 Killed, Police See Mafia Link

By Alan Cowell
New York Times Service

FLORENCE — With a force that collapsed a medieval tower, killed five people and reverberated across the world of art, a car bomb blew its way through the Uffizi Gallery on Thursday, shattering priceless paintings with splintered glass, destroying some works and tearing the limbs from Roman statues. Italian authorities immediately ascribed the explosion, which also wounded 26 people, to shadowy terrorist forces or the Mafia.

"It was an attack on Italy's cultural and artistic patrimony," said Alberto Ronchey, the minister of culture.

"This is a case of indiscriminate terror," said Pierluigi Vigna, the investigating magistrate. "We have found the crater. It was definitely caused by explosives."

Gianni de Gemaro, one of Italy's top anti-Mafia investigators, said the attack was "in the style of the Mafia, directed toward terrorist ends." He said that a strategy of terror was "in the Mafia's interest right now" after a series of setbacks for the Sicilian crime syndicate on its own turf.

The 16th-century Uffizi is viewed as one of the world's leading galleries, crammed with hundreds of paintings from the 13th to the 18th centuries by such masters as Botticelli and Caravaggio, and visited by around 1 million people a year. Its collection is Italy's greatest assembly of art.

According to the gallery's director, Anna Maria Toffani-Petrolini, three works — one by the 17th-century Dutch painter Gerrit van Honthorst and two by the Italian Baroque painter Manfredi — were destroyed and 30 more, including Sebastiano del Piombo's "Death of Adonis," were badly damaged.

Mr. Ronchey said the damaged works also included paintings by Rubens, Van Dyck and the 13th-century "Madonna della Costa" by Giotto, which had been in storage in a nearby church.

Most of the damage was caused by flying glass. "Death of Adonis" was said to have been slashed horizontally by a shard.

The blast shook the west wing of the gallery on the banks of the Arno River, leaving the exit staircase in a state of collapse, the heavy skylight shattered and 20 of the gallery's windows smashed the Venetian corridor over the Arno, carpeted with broken glass.

"It looked as if it had been raining glass," said Stefano Tasselli, an assistant curator. Hundreds of paintings were removed from the gallery for safekeeping, he said. Journalists were barred from inspecting the damage because, officials said, the gallery was unsafe and some of its ceilings were in danger of collapse.

"Many of the paintings were protected by bulletproof glass screens installed recently to prevent vandalism," Mrs. Toffani-Petrolini said. "Without them the damage would have been much worse."

The damage to statues, which she described as repairable, principally affected a group called "Niobe and her Children," a Roman copy from the Greek, according to Florence's fine arts superintendent, Antonio Panofici.

The gallery's collection of Botticelli, Caravaggio, Michelangelo and da Vinci apparently escaped serious damage. But Mr. Ronchey said, the documents that make up the 10-year effort to catalogue the gallery's collection fully were destroyed.

The attack represented the greatest disaster for the city's cultural heritage since the 1966 flood that damaged or destroyed hundreds of paintings and manuscripts. The explosion stunned many Florentines, who are used to seeing their city as aloof from Italy's woes.

"We Florentines have become afraid," said Grazia Stianti, a storekeeper in the city. "We cannot feel at ease here anymore."

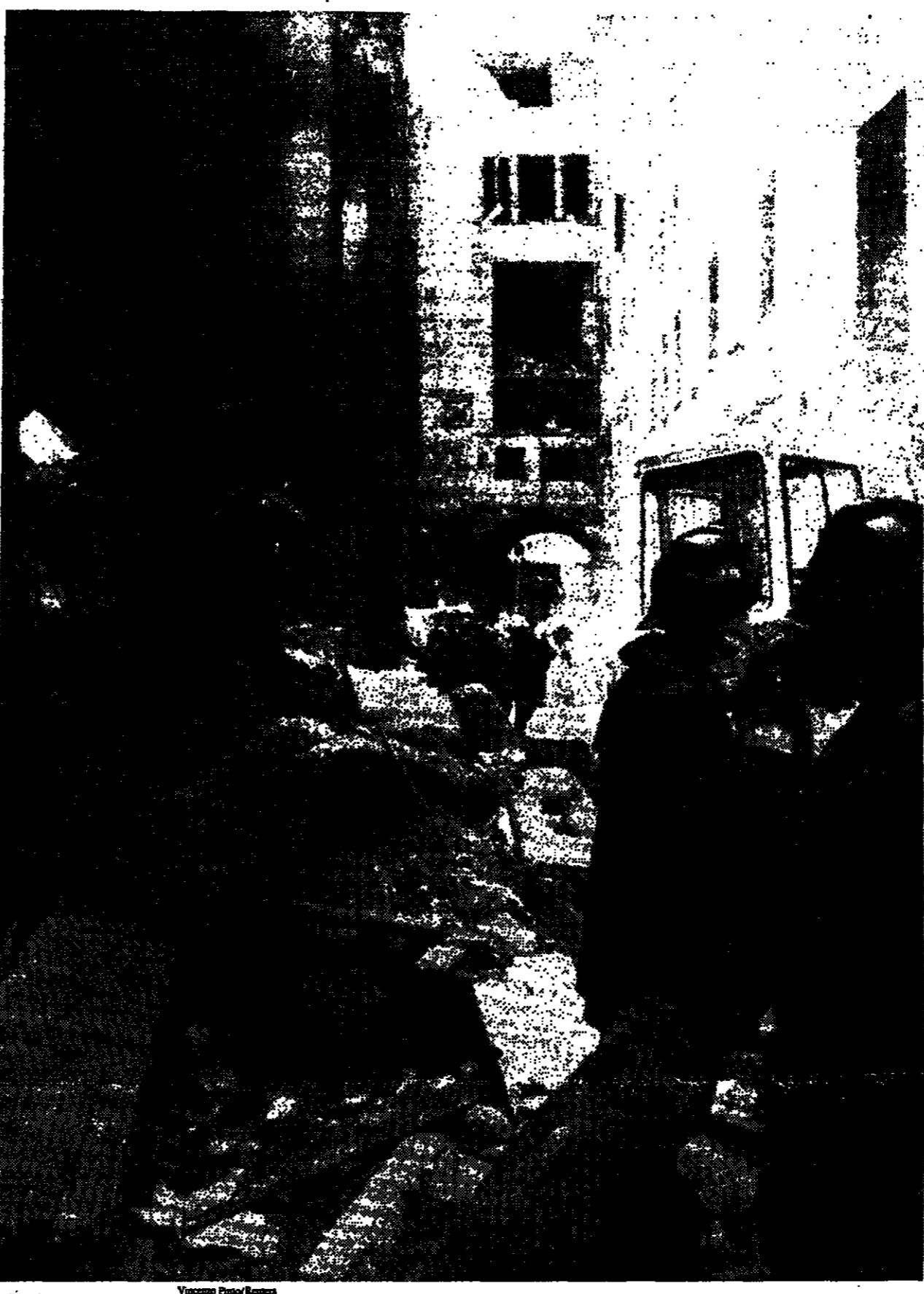
According to investigators the explosives that caused the blast had been planted in a car parked in a narrow street behind the Uffizi's west wing. The car blew up just after 1 A.M. when the nearby Piazza Signoria, with its imitation of Michelangelo's monumental statue of David, was dotted with late-night strollers.

By far the worst-hit building was a medieval tower, the Torre delle Pulci, behind the Uffizi, where a family of four had been sleeping in their third-floor apartment. The bodies — including those of girls age 9 months and 8 years — were found at ground level after the building's interior collapsed. The other victim lived in a building across the street from the Uffizi's west wing.

The blast blew into neighboring buildings "like a fireball," said a fire department official, and funneled its way around the Uffizi so that even windows in the east wing were shattered.

"I had no idea what it was," said a waiter at one of the Piazza Signoria's cafes. "It was just a huge blast. We all thought it was a gas explosion."

Police officers cordoned off the Uffizi area, leaving many tourists who had come to see the paintings craning for a look at the damage. See UFFIZI, Page 2

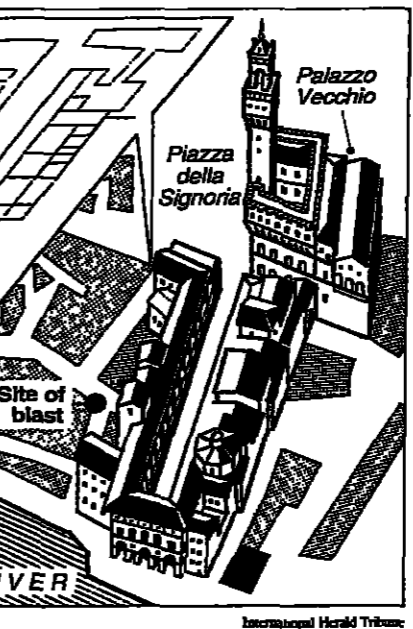


Firemen checking the damage Thursday after the attack at the Uffizi Gallery.

The Artistic Toll

The car bomb shattered windows and skylights in 20 of the Uffizi's 45 rooms. Three paintings in the gallery's west wing were destroyed and 30 works badly damaged.

- 1 Destroyed: Gerrit van Honthorst's "Birth of Christ," "Good Fortune" and "Scenes of Life" by Bartolomeo Manfredi (school of Caravaggio).
- 2 Twenty paintings damaged include Sebastiano del Piombo's "Death of Adonis" and works by Rubens and Van Dyck.
- 3 Roman statues, including the group "Niobe and her Children" were also damaged.



Challenging France's Business Traditions

By Jacques Neher
Special to the Herald Tribune
PARIS — Since arriving here from his Silicon Valley headquarters 18 months ago, Robin Hays has been trying to teach his nine French employees the basics of American sales practices.

But, despite his constant "drilling, drilling, drilling," he says they still sometimes forget that they should not argue with customers, that they should always try to be of service, or even that they should return phone calls.

"Every day, it's Robin at war with France," said Mr. Hays, the president of Allied Telesis France SA, a sales subsidiary of the Mountain

Starting Over

Restructuring businesses and economies.
Fifth in a series of articles

View, California, maker of computer networking hardware.

He's not alone in the war. As the French economy enters recession and unemployment soars past 3 million people and 11 percent, business leaders are increasingly challenging the cultural, sociological and historical traditions that have dictated how French companies are organized and do business.

They say that further job losses are inevitable, even after the economy rebounds, unless government, business and labor act to overcome these ingrained traditions. What is needed, these business leaders say, is a restructuring of relationships and behaviors that, along with price competitiveness, affect how well French industry penetrates the global market.

Among the constraints on French companies, they say, are:

- A rigid and costly system of social benefits and protections.
- A distaste for sales, marketing and customer service that is likely to hurt French competitors.

See FRENCH, Page 15

Accord in EC Eases Way For Global Trade Pact

Deal Meets Demands From French for Higher Payments for Idle Land

By Tom Buerkle
International Herald Tribune

BRUSSELS — The European Community set the stage for a breakthrough in global trade negotiations on Thursday by agreeing to a long-delayed reform of its Common Agricultural Policy, officials said.

The agreement, reached after more than three days of negotiations, met French demands for a significant increase in income supports for farmers who take land out of production.

As a result, EC officials said they expected France to drop its longstanding opposition to an EC-U.S. deal on oilseed production and allow EC foreign ministers to approve it next month. That deal is a key element of a wider farm accord with the United States that was good for them, and for the land. Page 13.

aimed at breaking the deadlock in the Uruguay Round of negotiations under the General Agreement on Tariffs and Trade.

Alexis Juppé, France's foreign minister, hailed the agreement in the National Assembly. He said it went a long way toward meeting the new conservative government's demands on farm issues and "is going to permit us to make progress on the other aspects of the GATT negotiations."

"We have reached a compromise that appears really positive for France and Europe," Agriculture Minister Jean Puech told reporters in Paris. "We will have a more open attitude in international talks."

French farm unions greeted the deal as a partial success. The Permanent Assembly of Agriculture Chambers, a powerful lobby group, said "the deal does not meet the expectations of farmers, who have grave worries concerning the oilseed deal" and the GATT talks. Reuters reported.

American officials declined to comment publicly, saying the CAP reform was an internal EC issue and that, as far as Washington was concerned, the Community has committed itself to carrying out the oilseed agreement.

One U.S. official, who spoke on condition of anonymity, said the EC agreement "will help them meet their Uruguay Round commitments," but cautioned that the Community would still need to make "significant adjustments" in farm policy as part of a global trade See TRADE, Page 15

U.S. Moves to Put Sanctions on EC

Compiled by Our Staff From Dispatches

WASHINGTON — The Clinton administration said Thursday that it was imposing trade sanctions on the European Community in a dispute involving government contracts for telecommunications equipment.

Sir Leon Brittan, the Community's top trade negotiator, called the action "neither justified, wise nor necessary." It is expected to affect only about \$20 million of EC products.

The administration said it would bar European companies from bidding for certain federal contracts starting Friday, the day the official notice was to be published in the Federal Register. The two sides have accused each other of blocking outside companies' access to certain lucrative government contracts.

In a statement issued in Brussels, Sir Leon said he would begin immediate consultations with EC member countries to determine "the appropriate reaction from the Community," adding that Washington "cannot expect us to ignore" such measures.

Asked about the timing of possible European countermeasures, Peter Guillard, Sir Leon's spokesman said, "We will not drag our feet."

Kiosk

Israel Frees 250 Palestinian Inmates

GAZA, Israeli Occupied Gaza Strip (Reuters) — Israel said it freed 250 Palestinian prisoners on Thursday in a holiday gesture to Muslims, but Arabs living on the occupied Gaza Strip said the army simultaneously tightened a ban on entry to Israel by Palestinians.

Officials have announced that Israel would release 280 Palestinians ahead of next week's Eid al-Adha feast. At the same time, Palestinians said that soldiers had been confiscating entry permits for Israel without explanation. By Thursday about 1,000 permits had been taken, they said.

Dow Jones
Up 14.87
3,554.83

Trib Index
Up 1.32%
104.17

The Dollar
New York, Thurs. close previous close
DM 1.6034 1.6285
Pound 1.5819 1.5475
Yen 107.15 108.45
FF 5.4095 5.482

Guatemala Army Stops a Protest

GUATEMALA CITY (Reuters) — The Guatemalan military sent armored cars and troops to break up a demonstration on Thursday as opposition mounted to President Jorge Serrano Elias's seizure of near-dictatorial powers.

The Guatemalan military sent armored cars and troops to break up a demonstration on Thursday as opposition mounted to President Jorge Serrano Elias's seizure of near-dictatorial powers. He dissolved the Congress and Supreme Court.

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The yen surged again, but intervention helped to brake it. Page 13.

Jordan Out Gambling Before Game

Before his Chicago Bulls lost to the New York Knicks in the National Basketball Association's playoffs, Michael Jordan was gambling in a casino in Atlantic City, New

Jersey, as late as 2:30 the morning of the game. The New York Times reported, Jordan admitted he was gambling, but said he left at 11 P.M. Page 19.

NO TIME

The Quiet Historian Who Taught Japan a Lesson

By David E. Sanger
New York Times Service

TOKYO — Saburo Ienaga is 80 now, frail and a bit unsteady as he moves around the narrow hallway of his house, but seemingly unfazed that the Japanese government finally routed him in the lawsuit to which he devoted a third of his life.

Twenty-eight years after he first went to court to challenge the way the deeply conservative Education Ministry recounts the war, the Supreme Court ruled two months ago that Mr. Ienaga was well within his rights when he forced the government to delete uncomfortable particulars about how Japan invaded Korea and Manchuria, and to skip by the rapes and killings that accompanied its occupation of Southeast Asia.

But Mr. Ienaga, who speaks in a voice so soft that it seems oddly incongruous with his harsh condemnations of the Japanese establishment, waves aside any suggestion that he wasted his time.

"I did not start this thinking I could win," said Mr. Ienaga, who did score one early victory when the case was in the lower courts. "In the end, almost no one wins a lawsuit in Japan against the government. But for more than 20 years I think I have proved a great deal. Even if I couldn't win in court, in the court of history I think I have been victorious."

Indeed, Mr. Ienaga is more responsible than anyone in the country for embarrassing the government into presenting an even slightly more balanced view of World War II in school texts. His one-man crusade roused South Korea, Singapore and China, among others.

His complaints led to a new generation of textbooks just now coming out. While no one would turn to the books for an even-handed view of the war, the Education Ministry has been forced to back away from the days when it left publishers covering in fear. Now, it has even begun making public the changes it asks writers to make.

Mr. Ienaga's own textbook, first written in the 1960s, remains banned from the schools. Even after he made more than 400 revisions, the government said it stepped over the bounds of appropriate discourse.

Particularly unsuitable, in the official view, were the book's descriptions of how Chinese prisoners of war were used as guinea pigs in bacteriological experiments by the infamous Unit 731, and its suggestions that myth may have a lot to do with the imperial family's unbroken lineage back to the gods who created the Japanese islands.

Mr. Ienaga is one of those rare Japanese rebels who have survived by making it clear that they care not a wit if they are

See JAPAN, Page 5

Wiesel Demands Ex-Mitterrand Aide Stop Book Sales

By Joseph Fitchett
International Herald Tribune

PARIS — Rejecting Jacques Attali's denials of plagiarism, the author Elie Wiesel demanded Thursday that Mr. Attali, the head of the European Bank for Reconstruction and Development, withdraw his book "Verbatim" from sale because it misused conversations between Wiesel and President François Mitterrand.

At the very least, Mr. Wiesel said, any future edition should omit roughly 40 passages presented in the book as having been said to Mr. Attali. The passages were actually lifted, Mr. Wiesel says, from his own talks with Mr. Mitterrand for another book.

Mr. Wiesel's call for public amends from Mr. Attali — in an interview and in a statement published in Paris by the *Nouvel Observateur* magazine — increased the pressure on Mr. Mitterrand to distance himself from Mr. Attali, his former top aide.

Ironically, Mr. Attali's book was designed at least partly to dispel doubts about Mr. Mitterrand's tenure, as an insider's account, it throws fresh, flattering light on the French leader's handling of crises such as German reunification.

Since the controversy broke about Mr. Attali's decision to misrepresent the dates of conversations, other actors in "Verbatim," including former Socialist cabinet ministers, have challenged Mr. Attali's version of events.

Presidential embarrassment was implicit Thursday when Mr. Wiesel said that Mr. Mitterrand had told him that he wanted to proceed with publication of their book.

Mr. Attali has acknowledged incorporating text from the two men's discussions about spiritual matters into his own book, misrepresenting them as conversations he conducted and in some instances placing them several years earlier than the actual discussions.

"They were my subjects, 10 non-political subjects that I suggested," Mr. Wiesel said by phone from New York, emphasizing that the themes as well as the actual words were intellectual creations solely of himself and Mr. Mitterrand.

As the plagiarism controversy

Kohl Warns West Over Accepting Serb Gains

By Reuters

BONN — Chancellor Helmut Kohl declared Thursday that Western policy in Bosnia-Herzegovina must not abandon the principles of the Vance-Owen peace plan.

"This means in particular that we must not recognize the circumstances that the Serbian side has established by military means," Mr. Kohl told a conference on European unity.

He said it was now a matter of "the physical and political survival of the Muslims as a nation in their home state of Bosnia-Herzegovina."

The initiative, drawn up last weekend by the United States, Russia, Britain, France and Spain, provides for defending Muslim safe areas, tightening sanctions and taking steps to prevent the war from spreading through the Balkans.

Mr. Kohl said it was vital that the creation of safe areas "in no circumstances lead to the establishment of a kind of reservation for the Muslim section of the population."

The Vance-Owen plan, put forward by the UN representative, Cyrus R. Vance, and the EC mediator, Lord Owen, provided for the creation of 10 semi-autonomous provinces in Bosnia, with the borders drawn along ethnic lines.

Serbian forces, meanwhile, paused in their shelling of Maglaj on Thursday after an 11-day assault on the northern Bosnian town, where the United Nations says 30,000 civilians are trapped in desperate need of food and medicine.

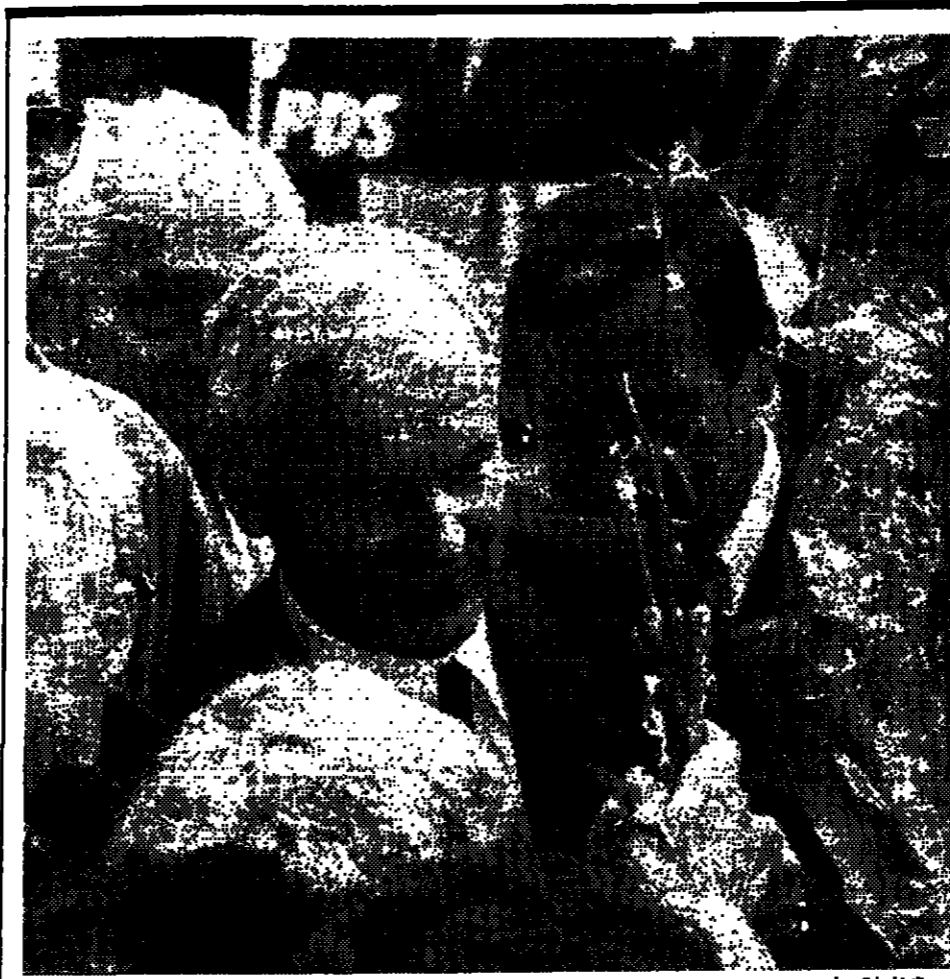
Government-held parts of the capital, Sarajevo, came under sporadic artillery and sniper fire and the Muslim-run crisis center said that 17 people had been killed and 65 wounded across the republic since Wednesday.

But the Belgrade-based Tanjug press agency quoted Bosnian Serb sources as accusing Muslim forces of shelling their positions around the northern town of Doboj and in Serbian-held districts around Sarajevo, such as Hadzici and Ilidza.

UN officials said that security was deteriorating in central Bosnia, where there were unconfirmed reports of clashes on Thursday.

The senior European Community official in charge of foreign policy, Hans van den Broek, said it was time for the 12-nation bloc to meet at summit level to discuss its stand on Bosnia.

"I am wondering if our heads of state and government should not convene urgently and informally to see where we stand — not to give the impression that we are satisfied with the status quo," he said in an interview with a Turkish newspaper.



Hans Modrow receiving a red carnation Thursday while on his way to the court in Dresden.

Verdict That Opens the Past Leader in German Unity Guilty of Communist Crimes

By Marc Fisher
Washington Post Service

BERLIN — The last Communist prime minister of East Germany, Hans Modrow — once hailed as the German Gorbachev — was convicted Thursday of rigging a 1989 election that provoked an outbreak of public protest.

The first verdict against a top East German government official by a court in the reunited Germany was a severe blow to the historical image of a man who forced his Communist Party to face reality and unite with the West after the fall of the Berlin Wall.

Now a member of the German parliament in Bonn, Mr. Modrow, 65, conceded that as Dresden regional party chief in 1989 he was politically responsible for the fraud that gave 97.8 percent of votes to the Communists, even though many Dresdeners knew that they and many others had cast protest ballots against the regime.

Mr. Modrow refused to testify. He denounced the case against him, and parliament's decision to strip him of immunity, as a political trial and an effort by western politicians to discredit all respected Eastern Germans.

Judge Rainer Lips, a Western German, gave Mr. Modrow the lightest possible punishment, a warning that carries no jail time and a fine of \$12,500 that would go to the Amnesty International rights organization and a project for Dresden's unemployed. By rejecting prosecution demands for a prison sentence, the judge and a panel of Eastern and Western jurists in Dresden allowed Mr. Modrow to retain his seat in parliament.

The judge said Mr. Modrow carried "the least possible guilt" for the fraud, adding that he approached his party leaders in Berlin on election day in May 1989 and asked them to permit "real election results."

The Modrow trial was the first to satisfy former

WORLD BRIEFS

Neo-Nazis Defy Ban, Judges Warn

DUSSELDORF (APF) — Neo-Nazi groups in Germany are becoming better organized despite recent government attempts to outlaw such groups, magistrates of Germany's regional tribunals said Thursday.

The magistrates, speaking during a conference here, said their data showed an increase in the number of neo-Nazi groups nationwide, especially in Baden-Wuerttemberg and the eastern state of Saxony. The German government outlawed three neo-Nazi groups last year, but officials believe they are still operating secretly.

Last week the head of German intelligence, Eckart Wirthsch, warned of a probable increase in racist attacks on immigrants throughout the country despite a fall in the number of such incidents since late last year. Rightist attacks claimed 17 lives in Germany last year and have left four dead this year.

Iran Sets Conditions for U.S. Talks

TOKYO (Reuters) — Iran's vice president, Atollah Mohajerani, said Thursday that Tehran would be ready for direct talks with Washington if the United States ended its freeze on Iranian assets, the Kyodo news agency reported.

"If the United States lifts its freeze on Iranian assets, conditions will be set for direct talks between the two countries," Mr. Mohajerani said in an interview with Kyodo in Tehran.

The vice president said any improvement in bilateral relations would hinge on U.S. action, because Iran had already done "everything needed" to improve relations.

Court Rebuffs Yeltsin in Press Battles

MOSCOW (AP) — A court upheld the legislature's attempt Thursday to strip President Boris N. Yeltsin of control of most state-owned broadcast and news services, but a flaw in publication of the resolution must be corrected before the law can be implemented.

The Constitutional Court said the lawmakers acted within the law when they voted in March to take control of Russian Television, Inter-Tax press agency and the Russian Information Agency.

Mr. Yeltsin placed those media under the control of a close ally, Mikhail Potolomin. Interpretations differed over the decision, however, and Mr. Potolomin said he would ignore it.

Pakistan Chief Wins Confidence Vote

ISLAMABAD, Pakistan (Reuters) — Pakistan's newly reinstated prime minister, Nawaz Sharif, won a vote of confidence on Thursday after the opposition leader Benazir Bhutto boycotted the emergency session of parliament.

Diplomats said the vote had removed lingering doubts over Mr. Sharif's parliamentary strength a day after the Supreme Court overturned his dismissal by President Ghulam Ishaq Khan.

Mr. Sharif won the confidence motion with 120 votes in the 217-member National Assembly. The session was boycotted by Miss Bhutto's Pakistan People's Party and by defectors from Mr. Sharif's Pakistan Muslim League, who had formed a caretaker government after Mr. Sharif was removed from office last month. Mr. Ishaq Khan accused Mr. Sharif of nepotism and terrorizing his opponents.

Canada to Raise Bar to Immigration

TORONTO (AP) — At an unspecified date this summer, Canada will put into effect requirements to make immigration more difficult for someone with a minimal education and poor English or French.

Critics called the proposal, passed by Parliament in February but yet to be carried out, an attempt to keep poorer immigrants out. A spokesman said Wednesday that the employment and immigration minister, Bernard Valcourt, wants to encourage the immigration of "people who can contribute to our society and economic well-being."

The ministry could still change the regulations before they go into effect this summer. Those who qualify as refugees or under family reunification would not be affected.

TRAVEL UPDATE

Strike Cripples French Rail Service

PARIS (Reuters) — A 36-hour rail workers' strike forced the cancellation of about three out of every four French trains on Thursday, France's state rail company, SNCF, said.

The stoppage, which began Wednesday night and is due to end at 8 A.M. Friday, was called by the three main rail unions to protest planned austerity and job cuts at the SNCF.

Members of one of the unions, the Communist-led General Labor Confederation, also stopped working in the Paris Metro and the city's regional transport network. But that strike had only limited impact, forcing only about 20 percent of traffic to a halt.

A four-hour walkout by airport employees in Madrid forced three Iberia domestic flights Thursday to turn around in mid-air and caused other delays and cancellations. The workers plan similar short stoppages for Friday, Monday and June 4. (AP)

Visitors to U.S. parks this summer will find fewer campgrounds open, shorter visitor center hours and fewer rangers on patrol. The National Park Service said the cutbacks were because of a budgetary shortfall of more than \$40 million. (AP)

Shanghai's airport has been closed after an accident, an official of the regional civil aviation administration said Thursday. Passengers on a United Airlines flight diverted to Beijing from Shanghai said their captain was told the airport had been shut after a Chinese cargo plane belly-landed on the major runway. (Reuters)

Bulgaria is considering rebuilding Sofia airport for about \$700 million, the Transportation Ministry said Wednesday. The plan is one of four options in a feasibility study by Britain's Halcyon Consulting Engineers, who have recommended a joint venture between the government and Bulgarian and foreign investors. (Reuters)

Curators Move To Save Canvases

By Susan Lumsden
Special to the Herald Tribune

FLORENCE — Empty frames hung crookedly on the bomb-damaged walls of the Uffizi Gallery on Thursday, and a sea of glass and wood splinters covered its floors.

Late in the afternoon, workers were still maneuvering nylon sheets across broken windows and skylights in the oldest museum in the world. Dozens of the Uffizi's paintings, hit by flying glass, now wore art curators' bandages to protect them against further damage from birds and the outside air.

"If most of the paintings were undamaged by glass, they will be harmed by the polluted air now circulating in the open galleries," said Lucia Monaci, an art historian in the museum's prints and drawings section. "The microclimate created by curators and scientists to prevent damaging extremes of temperature and humidity are all gone."

Gianvittorio Dillon, director of the prints and drawings section, which was not damaged by the explosion, said that 300 paintings had been moved by late in the day. Many of them had been blown off their mountings.

The west wing was the most heavily damaged part of the historic building, which was designed by Giorgio Vasari in 1565 to house the administrative offices of the Medici dynasty. "We are only beginning to see the damage," said Antonio Godoli, an architect at the Uffizi.

The museum may be closed for months, mainly because the exit, the monumental staircase by Bernardo Buontalenti, was severely weakened in its underpinning by the car bomb.

Officials said that three paintings damaged beyond repair were "The Birth of Christ" by Gerrit van Honthorst and "Scenes of Life" and "Good Fortune" by Bartolomeo Manfredi, both 17th-century masters who painted in the style of Caravaggio.

Michelangelo's "Tondo Doni," restored just a few years ago, was saved by thick bulletproof glass. Less fortunate were three Roman statues, which had heads, legs or arms blown off. The Uffizi's restoration laboratory was also badly damaged.

Athens Proposes Talks

Greece on Thursday proposed direct talks with the former Yugoslav republic of Macedonia in a bid to solve the problem of the neighboring country's name. The Associated Press Reported from Athens.

Premier Constantine Mitsotakis said that Greece had rejected a compromise name proposed by Mr. Owen and Mr. Vance in a package that included confidence-building measures between the two sides.

"We will propose to the United Nations that efforts continue for a solution, within the UN framework, with the addition that Greece is ready at this phase to enter into direct talks with the Skopje side," Mr. Mitsotakis said after a cabinet meeting, referring to the republic's capital.

He would not say at what level the talks would be held if the Greek proposal was accepted. The first and last time officials of the two countries met was in January 1992, when talks between Foreign Ministry officials collapsed immediately and each side accused the other of intransigence on the name issue.

Greece opposes recognition for Macedonia unless it changes its name, saying that the name is historically Greek and that its use implies territorial claims on the northern Greek province called Macedonia.

CHINA: A Year's Tariff Extension; UFFIZI: Gallery Bombed

Continued from Page 1

whose people want independence from China.

China will be pressed to open its markets to American products under agreements signed in 1992, when it signed two major agreements promising American exporters freer access for software, movies, music recordings and other "intellectual property."

The agreements also pledged China to dismantle 90 percent of its import rules and other nontariff barriers.

Mr. Clinton will also order "relevant officials" to "pursue resolutely" Chinese compliance with the Nuclear Nonproliferation Treaty and with the Missile Technology Control Regime, which are intended to bar the spread of missiles and nuclear weapons.

China said Thursday that it was within its rights to crack down on protests in Tibet, and that this should have no effect on either its trade status or its application to be host to the 2000 Olympic Games, Reuters reported from Beijing.

"What happened in Lhasa is an internal affair of China and it is absolutely justified to stop law-breaking acts and maintain law and order," a Foreign Ministry spokesman, Wu Jianmin, said at a regular weekly briefing.

Continued from Page 1

The news agency ANSA said it received an anonymous telephone call from a group calling itself the "Armed Falange" taking responsibility for the blast. The same group said it had planted a similar car bomb that exploded in Rome's Parioli district earlier this month.

That explosion — like Thursday's — provoked speculation that the Sicilian Mafia had decided to export its tactics to the mainland. But the Uffizi blast also brought worries that Italy was heading back toward its so-called years of lead in the late 1970s — an era filled with many bloody incidents that have yet to be fully explained.

"We wish to go forward but a hidden hand is pushing us back," Mr. Ronchetti said.

Interior Minister Nicola Mancino said: "From the analysis that has been done so far, we think there has been an intensification of what we saw in Rome. Hiring Florence gives the entire world the image of Mafia terrorism attacking the state."

Joseph Pulitzer Jr., Publisher, Dies at 80

By Dennis Hevesi
New York Times Service

Joseph Pulitzer Jr., 80, chairman of the Pulitzer Publishing Co. and owner of one of the world's finest collections of modern art, died Wednesday of a heart attack. He was the son of a landed family in the central Philippines.

Charles D. Hepler, 74, a former publisher of Reader's Digest and of New Mexico magazine, died Monday in Santa Fe, New Mexico, of cancer.

John Ludlow Gould, 79, a pioneering television and radio critic who wrote under the byline Jack Gould for The New York Times, died Monday from a gall bladder infection in Concord, California.

Francisco Sousa Tavares, 72, former Portuguese minister and journalist, died Tuesday in Lisbon after a long illness. He spoke out for political freedom during the years of rightist dictatorship.

Vladimir Pronsylow, 85, mayor of Moscow for 23 years from 1965 to '86 and one of the most influential Communist bureaucrats in the Soviet Union, died Saturday.

Sir Vincent Serel Edi, 57, a former governor-general of Papua New Guinea, died Tuesday in Port Moresby. He resigned in 1991 after refusing to dismiss a corrupt lawmaker who had been a colleague.

Lord Cornewley, former president of Britain's National Union of Mineworkers and a leading figure in the mining strikes of the 1970s, died Thursday. Joe Gormley was president of the union from 1971 to 1982 and played a pivotal role in the disputes that led to the downfall of Edward Heath's government. He was succeeded by Arthur Scargill.

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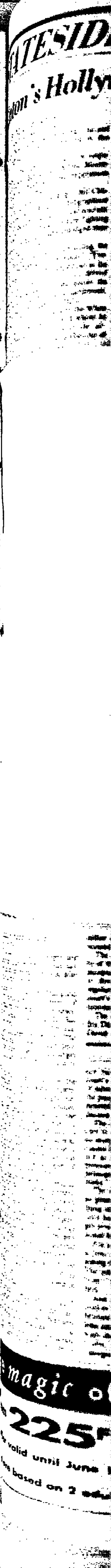
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STATESIDE / FRIENDS OF BILL

Clinton's Hollywood Friends Say They're Far From Designing

By Maureen Dowd

WASHINGTON — Harry Thomason says he and his wife are "fighting for the right to live in this country."

Linda Bloodworth-Thomason says she now empathizes with Bebe Rebozo, Bert Lance, Alfred Bloomington and others who have had bad experiences "being the president's best friend."

"I think there might be," Mr. Thomason replied. Some White House officials and Clinton strategists argued that talk-show appearances by the Thomasons this week could hurt the president by keeping a damaging story alive and preventing the White House from picking up the pieces of its message on the economy.

"We don't think we are important people in Washington," said Ms. Bloodworth-Thomason, "but when someone says something scurrilous about us, we can stand on our lawn for a couple of days and say, no, we didn't do that."

Mr. Thomason agreed. "This is certainly not a publicity blitz," he said. "It's a right-to-live-in-this-country blitz."

Supporters of the Thomasons say the two are also furious at being tarred with the criticism that they are the Pied Pipers who have led the president and first lady into being too cozy with Hollywood.

Rather, friends of the Hollywood couple say the Thomasons have been warning the Clintons for the last eight months not to get too close to Hollywood, and not to spend too much time in the halogen glow of such glitterati as Sharon Stone and Barbra Streisand.

Asked about Mr. Thomason while jogging Wednesday morning, Mr. Clinton said, "He has no official role. He's just our friend."

Mr. Clinton continues to be unconcerned with the appearance that he is too close to Hollywood, a topic debated on the ABC News program "Nightline" with David Gergen, the record company executive and producer, and Richard Dreyfuss, the actor, defending Mr. Clinton.

Indeed, just before he got his light \$200 trim from Christophe on May 18 — causing a furor when it was learned that planes had to circle the runway while the Beverly Hills hairdresser snipped — the president also met with some supporters from Hollywood and the Los Angeles financial and political communities.

Quincy Jones, the music producer, and Dawn Steel, the movie producer, both got tours of Air Force One, and White House officials said the president also met with such longtime Hollywood supporters as Patricia Duff Medavoy, the politically active wife of Michael Medavoy, the chairman of Tristar, and Bud Yorkin, the producer, and his wife, Cynthia Sykes.

"The president looks like a groupie," one top producer said. "He shouldn't always see us when we want to see him."

But Barbra Streisand rejected the notion that the halo of stars around Mr. Clinton has become a distraction, telling the Los Angeles Times in an interview published this week that celebrities have unfairly been painted as airheads.

"My favorite show is the C-Span," she said. "That's what I watch: C-Span 1 and C-Span 2. When I'm not watching CNN, C-Span is a cable channel devoted to congressional debates."

On Haircut, President Pleads Ignorance

WASHINGTON — President Bill Clinton said Thursday that he never would have had his hair cut aboard Air Force One as it sat on the tarmac in Los Angeles had he known it would delay air travel.

Mr. Clinton took up the topic during a White House televised "town meeting" when he was asked whether the haircut and other side issues were hindering progress on the economic plan.

The president had delayed his departure from Los Angeles International Airport by about an hour to have his hair cut. A Federal Aviation Administration spokesman said the delay caused a shutdown of two of the four runways at the airport.

The incident joined the populist image that helped Mr. Clinton win the election last year. But the president said he had not realized that he was delaying anyone.

"It was a mess-up," Mr. Clinton said. "Look, I wear a \$40 watch. Do I look like the kind of guy who would shut down an airport to get his hair cut?"

"People don't know, for example, on the haircut, that I asked whether anybody would be held up or inconvenienced and I was told no," Mr. Clinton added. "I asked twice and I was told no. I'd never do that, not in a hundred years. Not ever. I wasn't raised that way. I've never lived that way. That's not the kind of person I am."

President Details Gains, but Admits Message Is Murky

WASHINGTON — President Bill Clinton took credit on Thursday for "a pretty good record" so far but told a television audience that his administration had done "a lousy job" of communicating it.

In a two-hour "town meeting" television broadcast from the White House Rose Garden, Mr. Clinton defended his accomplishments in the face of declining ratings in public opinion polls and lack of progress on many of his initiatives.

"I'll tell you what went wrong," he said. "What went wrong was I was not able to keep the public focus on the issues that we're working on after I gave the State of the Union address, even though that's what we kept doing."

Asked if he was infatuated with Hollywood people and lifestyles, Mr. Clinton gave an animated denial.

"Has the administration gone Hollywood?" he said. "The answer to that is no, heck no, never, no, never, never."

But the president conceded, "We haven't been very smart about this on several occasions."

Mr. Clinton strolled around the Rose Garden, taking questions from some of the 200 tourists who were assembled by the CBS television network.

Questions were wide ranging — from health care to military cuts to why the Clintons were sending their daughter, Chelsea, to a private school. (More privacy for her, he answered.)

One member of the audience questioned Mr. Clinton's efforts to lift the ban on homosexuals in the military.

"I have to deal with people as people," Mr. Clinton said, defending his decision. He added that the administration was "very close to a compromise" with congressional critics on a measure to lift the ban.

The president rattled off some of his accomplishments, including congressional approval of a budget blueprint, responding to the political crisis in Russia by rallying Western support for President Boris Yeltsin, and work on health care reform.

"I think that's a pretty good record for four months," he asserted. But he added, "I think we have done a lousy job of being able to cut through the fog that always surrounds this town and communicate that."



AT LIBERTY IN NEW YORK — Sailors from the Russian guided-missile destroyer Bezudzhny bargaining with a bookseller on Fifth Avenue. Their ship was in New York Harbor for Fleet Week and to mark the 50th anniversary of the Battle of the Atlantic.

Away From Politics

Photographs of the World Trade Center were found during a police raid of the apartment of the man charged with murdering Rabbi Meir Kahane in 1990, New York Newsday reported. The paper said investigators had found the detailed photos in the apartment of Sayyid A. Nossir in November 1990. They also reportedly found evidence linking him to a terrorist group. He was acquitted of killing Rabbi Kahane but convicted on related charges. He attended the

same mosque as several of the suspects in the World Trade Center bombing and was visited in jail by at least two of them. Officials of Teledyne Industries, reacting to an indictment of the company on charges of illegally exporting metallic material used to make cluster bombs for Iraq, said the U.S. government knew where the material was going before the company did. A Houston businessman was awarded almost \$10 million after a long battle with the

U.S. government over ownership of four paintings by Adolf Hitler and a collection of German photographs, his lawyer said. A federal judge has ordered that Billy Price be paid for items that the U.S. Army found and sent to Washington after World War II, the lawyer said. Mr. Price acquired rights to them from a German family in the 1980s. Americans gave away 2.01 percent of their personal incomes last year, the most since 1971, according to a survey. AP, Reuters

Justices' Fear: Losing Their Mystique

By Linda Greenhouse

WASHINGTON — Of course judges are human. Of course they change their minds, say things they later regret, enter into tactical alliances, make timely compromises.

What is notable about Justice Thurgood Marshall's papers, released by the Library of Congress and spread before the public in newspaper accounts this week, is not that his Supreme Court files reveal all this, as other justices' papers have documented before. The most striking and, at least on the surface, puzzling aspect of the affair is the evident anger and anguish of the court itself over the disclosures.

The material that has come to light — the justices' memorandums and working papers, drafts of opinions, even church passages that were edited out of final versions — includes the little if anything to embarrass most clearly is contrary, what comes through most clearly is the collective seriousness of the justices bringing to their work, in addition to an almost ritual politeness, a solicitude for one another's feelings extending even to whether anyone would object to the gift shop stocking copies of the chief justice's book about the court.

either apostles of principled deliberation or as scoundrels. The court has spoken recently and powerfully of the need to safeguard its claim to public acceptance of its awesome constitutional power to thwart the will of democratically elected legislatures. This theme was central to the court's decision last June to reaffirm the constitutional right to abortion.

The opinion written jointly by Justices Sandra Day O'Connor, Anthony M. Kennedy and David H. Souter, noting that the court could

not buy or coerce obedience, said that the court's power lay "in its legitimacy, a product of substance and perception that shows itself in the people's acceptance of the judiciary as fit to determine what the nation's law means and to declare what it demands."

The opinion added: "The court must take care to speak and act in ways that allow people to accept its decisions on the terms the court claims for them, as grounded truly in principle, not as compromises with social and political pressures having, as such, no bearing on the principled choices that the court is obliged to make."

The sense that the court is and must be seen as greater than the sum of its parts, as something other than a collection of individuals who once had the political connections necessary to get powerful jobs, pervades the court's institutional life.

For example, the court makes available transcripts of its oral arguments, but the justices asking the questions are not identified by name. The inherent fiction is that the questions are from "the court," not from individual members.

authorized biography of Justice William J. Brennan Jr. "You want the freedom to engage in your own written dialogue without necessarily knowing how it's going to come out," Mr. Wermiel said.

Particularly painful to the court is that Justice Marshall's files, made public at his death and barely 18 months after he left the court, include not just his own work but the work-in-progress of every other justice with whom he served. Supreme Court justices and other appellate judges do not work alone. Every majority opinion reflects at least some measure of collective effort, so any justice's files are a window on the court as a whole.

"You need that free give and take on a collegial court," Chief Justice Abner J. Mikva of the U.S. Court of Appeals for the District of Columbia Circuit said. "Collegiality and civility are already tested, and they will be tested even more if you couldn't retreat from a first draft."

Judge Mikva, a former Supreme Court law clerk himself, is trying to persuade other judges to preserve their records so that the material can eventually become available to the public. "Historically, it's nice to know that judges have tempers and human frailties, but it doesn't help the civility of the institution to have it come out contemporaneously," he said. "That's really the issue here. This flap could really harden in cement the mindset that says that everything should be confidential forever, and that's terrible."

A populist who served four terms in the House of Representatives as a Chicago Democrat, Judge Mikva said he had only gradually, and somewhat to his surprise, come to appreciate the role of the judicial mystique since he became a federal judge in 1979.

"It took me a long time to get used to the robes," he said. "The high bench, the black robe, the 'oyez, oyez,' are all part of trying to Wizard of Oz us. But what's the point of a judge? It's partly mystical after all. Reluctantly, I've come to the conclusion that the law is not always logical."

Marshall Documents Stay Public

Washington Post Service

WASHINGTON — The papers of Thurgood Marshall, the former Supreme Court justice, will remain open to the public, according to the librarian of Congress.

James H. Billington said Wednesday that the library had carried out Justice Marshall's "exact intentions" and that to impose restrictions on access to the collection of 173,000 items would be "a breach of contract and a violation of the trust placed in the library."

"The library must honor the expressed wishes of one of our great jurists," Mr. Billington said.

Mr. Billington acted in the face of pressure from the Supreme Court and the Marshall family to reconsider the library's decision to open the papers after his death in January.

The dispute over the papers started after The Washington Post began publishing a series of articles about them. They included a look at how the court came close to overturning the 1973 Roe v. Wade abortion decision in 1989 and how it decided important race and rights cases in recent years. Also described was Justice Marshall's unyielding advocacy of civil rights, privacy rights and criminal justice.

A Life Term, but Few Answers

Was Sailor Fatally Beaten Because He Was Homosexual?

By T. R. Reid

Washington Post Service

YOKOSUKA, Japan — A United States Navy court-martial sentenced 21-year-old sailor to life imprisonment Thursday for the murder of a homosexual shipmate in October.

The eight officers on the jury deliberated for three hours before giving the sailor, Airman Apprentice Terry M. Helvey, the maximum punishment for the crime of murder with intent to inflict great bodily harm.

But the court-martial — actually a sentencing hearing, since the defendant had pleaded guilty — left many questions unanswered, including the one that became the central political issue of the trial: Was Seaman Allen R. Schindler, 22, killed because he was homosexual?

The case became public at a time of vigorous debate over homosexuals in the military, and advocates on both sides of that issue invoked the trial to support their positions. But it was not firmly established in the trial whether Mr. Helvey had known that his victim was a homosexual on the night he beat and stomped him to death.

Navy investigators testified that Mr. Helvey, in an interview two days after the murder, said he was "disturbed by homosexuals" and would do the same thing again.

But there also was testimony that investigators may have suggested this motive. He has since pleaded guilty to two charges of lying to the investigators when he claimed that Mr. Schindler had made a homosexual pass at him.

In an unsworn statement to the jury this week, Mr. Helvey said, "I did not attack him because he was homosexual."

"The accused talked about Schindler's homosexuality when he thought it was in his interest," the chief prosecutor, Captain Stephen Marchioro of the Marines, told the jury on Thursday. "Later, he denied it when he thought that position was in his interest."

Captain Marchioro cited past instances when the tall, muscular defendant had fights with smaller sailors. He described him as a "bigoted and intolerant" bully who was motivated by a "general hostility" rather than a specific animus against any one group.

The defense attorney, Major Bernard Doyle of the air force, told the jury that the murder was a "crime of rage," triggered by Mr. Helvey's long history of abuse as a child and by heavy drinking on the night of the crime.

Allen Schindler and Terry Helvey were shipmates on the amphibious assault ship Belleau Wood, with its home port in Sasebo, Japan, where the beating took place in a public rest room.

The navy initially provided minimal information about the case. A sailor who was present at the time of the crime, Airman Charles E. Vias, entered into a plea bargain and was sentenced to four months in jail for his part in the crime, but the navy did not announce his court-martial until it was over.

After the verdict on Thursday, the navy released its longest description yet of the case. The document asserts that the navy handled the case correctly. It also denies accusations that navy officials tolerated an anti-homosexual atmosphere on the Belleau Wood.

But for Mr. Schindler, there was discrimination and harassment, his mother, Dorothy Hajdys, has said. He called the ship the "Helleau Wood" and was counting the days until he could leave it. Other sailors have said the 950-member crew included a rough bunch of people with an open hostility toward homosexuals.

Mr. Schindler's letters show a deeply unhappy man who was fearful of shipmates and superiors. However, his attitude apparently changed for the better last fall after he told his commanding officer that he was homosexual and then awaited the obligatory discharge from the navy.

POLITICAL NOTES

Christopher Follows Up on Leadership Issue

WASHINGTON — Secretary of State Warren M. Christopher tried Thursday to lay to rest an embarrassing debate over whether the United States was withdrawing from its world leadership role, insisting, "We will lead."

In a speech at the University of Minnesota, Mr. Christopher used the word "lead" or "leadership" more than 20 times in an effort to correct the impression left by one of his senior aides in a lunch with reporters two days before.

The official, Peter Tarnoff, undersecretary of state for political affairs, spoke of setting limits on U.S. engagement in Bosnia and other world trouble spots. His remarks were embarrassing for President Bill Clinton, whose own leadership was already under fire in many arenas.

Mr. Christopher, whose previous comments on Mr. Tarnoff's briefing had been relatively low key, called for the United States to become more engaged abroad, more ardent in its pursuit of democracy and more inspired in its international leadership.

"We are a blessed and powerful nation," he said. "We must shoulder the responsibility of world leadership." Mr. Christopher's comments may not quiet concern among U.S. allies and in the Washington policy community about Mr. Tarnoff's words, especially since they seemed to reflect reality.

Democratic Funding: Cache as Cache Can

WASHINGTON — The chairman of the Democratic Party said Thursday that he would not halt the party's practice of arranging meetings for big contributors with Clinton administration officials. David C. Wilhelm said the practice was innocent as long as no special favors were offered.

Mr. Wilhelm, who has been traveling this week to meet with party leaders around the country, said the party's aggressive fund-raising was designed to lay the groundwork for the time when campaign finance laws limit the amount of money that can be collected from large contributors.

"We have to raise money in order to diversify our base over time and shift our fund-raising base," Mr. Wilhelm said. He added that party leaders see a transition period in the 18 months that they estimate it will take for new campaign fund-raising rules to take effect.

He said new rules that the Clinton administration had proposed for campaign financing, which limit unregulated contributions from corporations and from political action committees, would probably cost the party \$13 million — or about 40 percent of its current budget. "But it's the right way to go," he said.

2 New Candidates for Supreme Court Justice

WASHINGTON — White House aides have narrowed their search for a new Supreme Court justice to two federal appellate judges from New England, administration officials said.

The two are Judge Stephen G. Breyer of Boston, who sits on the 1st U.S. Circuit Court of Appeals, and Judge Jon O. Newman of Hartford, Connecticut, of the 2d U.S. Circuit Court of Appeals.

White House advisers say they expect President Bill Clinton to decide by next week on a replacement for Justice Byron R. White, who is to retire at the end of his term. They said that with his recent political difficulties Mr. Clinton's overriding concern had become the selection of a person who would be able to breeze through confirmation proceedings. Both judges are well known in legal circles and highly regarded on Capitol Hill.

Officials said White House aides from the counsel's and the personnel office had narrowed the field to the two New England judges, although they might include a few other names when they present their choice to Mr. Clinton.

The Senate Judiciary Committee has been pressing the White House for a decision so it can complete its work on the nomination before September. Committee aides have said it would take at least six weeks to conduct the routine background investigation once the nomination is announced, and the Senate will be in recess for four weeks in August and early September.

Judge Breyer, 54, and Judge Newman, 61, have remarkably similar backgrounds and career paths. Both have had powerful liberal Democratic and liberal judges as mentors and patrons, and both are widely regarded by their colleagues as intellectuals who gave up political careers to be appointed to the bench. As judges, both have been described as skilled at forging consensus among the judges on their circuits. Both are also Jewish. Mr. Clinton has made no secret of his desire to appoint the first Jewish justice since Abe Fortas resigned in 1969.

Quote / Unquote

Marlin Fitzwater, the White House spokesman under George Bush, asked about Mr. Clinton's "balding" White House staff: "A few more fat, old bald men wouldn't hurt the place."

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African Meeting of the Minds

U.S. Blacks, in Gabon, Forge Business Links

By Kenneth B. Noble
New York Times Service

LIBREVILLE, Gabon — "Africa is open for business," Mohammed Fall Ainauna, the Mauritanian ambassador to the United States, told a group of black Americans meeting here, "and the first people we're going to seek business from are you."

Mr. Ainauna's remarks summed up an important goal of the second African/American-American Summit: to encourage business between blacks on both continents. And increasingly, sponsors of the conference say, black Americans are beginning to compete with businesses from the former colonial powers of Europe.

To drive that point home, Mr. Ainauna announced that Mauritania, a former French colony in West Africa, had granted an offshore fishing license to a group headed by Mervyn M. Dymally, a former Democratic congressman from California, the first such contract granted to a black American.

The four-day conference earlier this week, with nearly 1,000 Americans and about 3,500 Africans, was said to be the largest of its kind ever. Among Americans attending were the Reverend Jesse L. Jackson; Andrew Young, the former UN ambassador; Coretta Scott King, widow of Martin Luther King; the Black Muslim leader Louis Farrakhan; Governor Douglas Wilder of Virginia, and the actress Cicely Tyson.

The first such meeting, sponsored by the Reverend Leon H. Sullivan, head of the International Foundation for Educational Self-Help in Phoenicia, was held two years ago in Abidjan, Ivory Coast. Mr. Sullivan is best known for having devised a code of conduct in 1977 for American corporations doing business in South Africa. He was also in the forefront of those who encouraged corporations to divert themselves of interests there.

But although many Americans who attended the Abidjan meeting said it helped them connect emotionally with their ancestral homeland, many Africans at that meeting complained that it accomplished little of substance.

"Many of us who attended the Abidjan conference expected to come away with some solid financial commitments," said a Nigerian businessman, "but all they got was a lot of rhetoric from black preachers about returning to their roots. It was nice to hear, but it didn't put any money in our pockets."

Many here hope the Libreville meeting will go beyond fiery Afrocentric language, a point made in a speech by Mr. Jackson, who said African nations too often ignore black Americans when offering business opportunities.

"We have to move to a level beyond romance, to finance, beyond causes, to contracts," he said.

Mr. Jackson noted that African nations often depend upon the 40-member Congressional Black Caucus to lobby for aid from the United States.

One of the best-attended meetings featured Mr. Farrakhan. Citing the example of Israel, he said black Americans should also be able to form a country of their own on the African continent, and he planned to ask African leaders to "carve out a territory for all people in the diaspora."

He said black Americans should also be granted dual citizenship by all African countries.

"We want dual citizenship," he said, "and because we don't know where we came from, we want dual citizenship everywhere."

Although Mr. Sullivan's concept has, by and large, run smoothly, it is not without critics. One question is why, as more African countries become multiparty democracies, the conference is being held in Gabon, which has been under the one-party rule of President Omar Bongo since 1967.

Doubting Defector, U.S. Hid Story of More POWs

By Thomas W. Lippman
Washington Post Service

WASHINGTON — A North Vietnamese defector told American officials at the height of the Vietnam War that his country held nearly 500 more prisoners of war than it acknowledged, but U.S. officials doubted his story and decided not to reveal the numbers, according to declassified intelligence reports and State Department cables.

The documents were distributed by Senator John F. Kerry, Democrat of Massachusetts, who is taking them to Hanoi this week-end for what he described as a put-up-or-shut-up session with the Vietnamese over the slow pace at which they are providing information about missing U.S. servicemen.

Hanoi must be made to understand, he said, that documents raising questions about Vietnam's truthfulness will continue to surface as the declassification process continues

in Washington and Moscow. The best way for Hanoi to defend itself against accusations of treachery and persuade the United States to lift its trade embargo is to fulfill speedily its promises of full disclosure, Mr. Kerry said.

"This is not a bargaining process anymore," Mr. Kerry said. "Nobody is going to stand for a piecemeal process anymore."

Mr. Kerry, a Vietnam veteran, said his only interest was the quest for information about missing Americans — not whether President Bill Clinton should lift the U.S. embargo on trade with Vietnam. But Mr. Kerry also said he would give an assessment of Vietnam's cooperation to the White House, which must decide by mid-June whether to approve a loan package for Vietnam from the International Monetary Fund.

Since last fall, when Vietnam promised full cooperation with U.S. officials and President

George Bush hailed a "breakthrough" in the search for information, "there has been a steady stream of documents coming in," Mr. Kerry said.

He added that Vietnam was known to have film archives and documents it had not yet produced.

"I want those documents," Mr. Kerry said.

Among the declassified U.S. documents Mr. Kerry released was a 1971 memo from Richard Helms, then CIA director, to Henry A. Kissinger, then national security adviser to President Richard Nixon. It said the Saigon government and the U.S. Embassy were going to "surface to the press" a man named Dang Tan, a North Vietnamese army doctor who defected to the South in 1969. This memo described him as "knowledgeable" about U.S. prisoners.

On May 11, 1971, on orders from U.S. officials, however, his prepared statement omitted his claim that North Vietnam held about 800 U.S. prisoners at the time of his defection in 1967. The officials apparently feared that these numbers, which they regarded as incorrect, would undermine Dr. Tan's credibility on other points. But one news agency broke an embargo and printed the figure based on an advance copy.

Dr. Tan reportedly claimed that as many as 500 of the 800 had "disappeared" and that some had been transported to the Soviet Union and China.

When families of missing men asked about Dr. Tan's claims, a State Department official, Frank A. Steverts, called the Saigon embassy that the United States had no "independent confirmation" of Dr. Tan's claims and that Dr. Tan admitted "much of his information" is hearsay.

Khmer Rouge Suspected in Attack on Cambodian Vote Unit

Compiled by Our Staff From Dispatches
PHNOM PENH — Shots thought to come from Khmer Rouge guerrillas wounded a United Nations peacekeeper and three other people and forced evacuation of a UN polling unit in northwest Cambodia on Thursday, officials said.

The attack was the first known to have halted one of the mobile voting teams, which were pushing toward the margins of Khmer Rouge territory so Cambodians in insecure areas could vote in the UN-organized election.

Nonetheless, the United Nations, relieved by the relative calm

in dozens but in hundreds," Vladimir Yulin, the UN director for Kompong Speu Province, said at a mobile voting station in the hamlet of Okaki.

The voting site was just two kilometers from where one of the Bulgarians was killed and five wounded when they went to the aid of a UN office under attack.

The Khmer Rouge has publicly condemned the election, but in some areas Khmer Rouge guerrillas have allowed villagers and even soldiers from their zones of control to go to the polls. By Thursday, the fifth day of the election, perhaps 1,000 guerrillas had cast ballots, the

UN mission spokesman, Eric Falt, said. The balloting ends Friday.

In the only major violence on Thursday, B-40 rockets and rifle rounds slammed into the area of a polling station 45 kilometers south of the east of Siem Reap, north of the great lake of Tonle Sap. A Bangladeshi peacekeeping army was shot in the leg.

The gunmen, who used small arms and rocket launchers, were driven off by Phnom Penh government forces, the UN said. It was undoubtedly a direct attack on the polling station by Khmer Rouge guerrillas, said the province's chief

UN electoral official, Dermot J. Wheelan.

Scattered shelling was reported deep in the Siem Reap countryside. Mr. Wheelan said the mobile teams would continue working "but we can't take any extraordinary chances." (AP Wirephoto)

Seoul Frees 38 Dissidents

SEOUL — South Korea freed 38 political dissidents Thursday as part of a release of 1,245 prisoners to mark the national holiday of the day for Buddha's birthday.

REAL ESTATE MARKETPLACE

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A 'Heavyweight' Chancellor

Economists in U.K. Praise Choice of Clarke

By Erik Ipsen
International Herald Tribune

LONDON — Kenneth Clarke's appointment as chancellor of the Exchequer won quick praise on Thursday from economists.

"For the first time in some time we have a heavyweight chancellor," said James Barry, an economist with Morgan Grenfell.

Long seen as one of the cabinet's most ardent pro-Europeans, he extricated himself from a potentially sticky spot earlier this month by insisting that Britain would not re-enter the exchange-rate mechanism during the life of this Parliament. That bow to popular sentiment in general and to the Conservative Party's right wing in particular may have removed the last major obstacle to his ascension.

In the last five years, Mr. Clarke has won praise, beginning as health secretary, then moving to the Education and Science Department before being named home secretary after the general election in April last year.

"He has done a good job sorting out the departments he has headed," said Paul Neill, an economist at NatWest Capital Markets. "He has brought in more efficiency and has kept their budgets under control, exactly the sorts of skills he will need as chancellor."

Many believe that Mr. Clarke's greatest attributes may be his pugnacity and his reputation as a good communicator. "He is a man who is pretty ignorant of economics but he is a good street fighter," said Patrick Minford, an economics professor at the University of Liverpool and one of the Treasury's new panel of outside advisers.

With a government deficit of £50 billion (\$77.5 billion) looming as his greatest challenge, Mr. Clarke is expected to take an uncompromising line on the budget. In his November budget statement he will almost surely have to seek spending cuts and tax increases.

In his previous posts, Mr. Clarke has not shied from confrontation. He challenged the power of some of Britain's strongest lobbies.

"He has faced down the teachers, the British Medical Association and at the Home Office he took on the only lobby stronger than the BMA, the police," said Mr. Barry of Morgan Grenfell.

By naming Mr. Clarke as his chancellor, the prime minister has taken a calculated risk. Of all the candidates for the job, the home secretary was seen as the one most likely to stand as a rival for power to Mr. Major himself.

For a Treasury that in recent months has been accused of being weak and rudderless, Mr. Clarke's presence will mark a welcome shift, but a politically dangerous one nonetheless for the prime minister.

"I'd imagine Clarke will want to exercise all the power he can lay his hands on," said Mr. Minford. "It is in the nature of the man."

While most observers expect a new, more confident and assertive leadership style at the Treasury, few see much room for changes in policy. Unemployment is falling, inflation is at a 30-year low and Britain will almost surely post the strongest growth of any European nation this year.

"It is a great starting point for any chancellor," said Nigel Richardson, an economist with Yamatachi International. "It is difficult to get it wrong."

With the economy looking up, many observers described as "ironic" the timing of Norman Lamont's exit as chancellor.

"There does seem to be a curious set of circumstances driving him out at what should be his moment of glory," said one economist.

"It didn't really matter who replaced Mr. Lamont," said David Kern, chief economist at the National Westminster Bank. "The key thing is that the replacement starts with a clean slate and a relatively high degree of credibility."

Egypt Court Condemns 6 Militants

By Chris Hedges
New York Times Service

CAIRO — An Egyptian military court sentenced six Muslim militants to death and two others to life imprisonment Thursday for attacks on foreign tourists and for trying to assassinate Information Minister Mohammed Sawfat Sherif.

The sentencing, bringing the number of death sentences meted out to militants to 23 in the last six months, follows the militants' deathly boasting spree in more than a year of clashes, an explosion outside a police station in central Cairo last Friday that killed six people. And hours before the verdict was delivered, five people were wounded, some seriously, in an explosion at a police checkpoint.

The decision to hand what the government describes as "terrorist" cases over to military courts, where there are no appeals, was made by President Hosni Mubarak in November as part of a crackdown on the militant Muslim Brotherhood.

Government officials said that the militant courts, subject to instructions from the president, had been sentencing 100 to 200 militants that were too lenient.

But Amnesty International, in a report this week, questioned the fairness of the military courts and blamed the government for a dramatic rise in human rights abuses.

The militants, fighting to establish an Islamic state, have carried out numerous attacks against government officials, police, Coptic Christians and foreign tourists. More than 150 people have died in the violence, including three foreigners, in the past year.

The attacks have gutted the tourism industry, which once brought in more than \$2 billion a year. Militant leaders said they planned to start targeting both foreign workers and foreign businesses based in Egypt.

Of the six condemned to be hanged, one was sentenced in absentia and is believed to be hiding in Afghanistan. Two militants were given life sentences with hard labor and one was sentenced to hard labor for 10 years. Two others were acquitted.

Charges against three more were dropped after security forces could only provide the court with their first names.

CABINET: Lamont Is Replaced

Continued from Page 1

who might be more willing than Mr. Lamont had been to make further cuts in interest rates, in the hopes of speeding economic recovery.

The reshuffle was aimed at assuaging critics who said Mr. Major had to shake up his founding government in the hopes of restoring confidence in his leadership.

Not only have public opinion polls shown Mr. Major with the lowest approval of any prime minister in recent memory, but also, earlier this month, the voters dealt the government a sharp setback in local elections, when the Tories lost control of 15 of 16 local councils in which they had held the majority.

They also lost a seat in Parliament, in a special election to fill a vacancy resulting from the death of a Conservative legislator. The defeat narrowed the Tory majority in the Commons to just 20 seats of 651.

"Had we gone on the way we were it would have led more criticism of the prime minister," said Sir Geoffrey Johnson-Smith, a Conservative Party leader who proposed the reshuffle. "The reshuffle was a necessary change. He said Mr. Major demonstrated that he was a very capable manager of his own administration, and knows where he wants to go."

But members of Britain's political opposition said the cabinet reshuffle underscored the disarray in the Major government. John Smith, the leader of the Labor Party, said what Britain needed was "a change of policy, not personnel."

There was generally strong approval in Tory ranks for the appointment of Mr. Clarke, who is



Queen Elizabeth Receives Irish President

Queen Elizabeth II, right, receiving President Mary Robinson of Ireland at Buckingham Palace on Thursday. It was the first meeting between the British and Irish heads of state in 71 years. The palace said President Robinson described the meeting as "very friendly." She had said earlier that she intended to discuss with the queen initiatives at ending the bloodshed in Northern Ireland.

House Budget Vote Goes to Heart of Clinton Presidency

By Paul F. Horvitz
International Herald Tribune

WASHINGTON — In a day of deal-making, arm-twisting and raw political rhetoric, the House of Representatives moved Thursday toward a final vote on a five-year budget plan that could make or break Bill Clinton's presidency.

Mr. Clinton, in an after-hours compromise with rebellious conservatives in his own Democratic Party, agreed first to get together than he had wanted in trimming U.S. spending on growing social and health benefits known as entitlement programs.

He has also reportedly agreed to offer more exemptions to his proposed energy tax so that Democratic lawmakers from states with energy-related industries would vote for the budget.

The budget package is the heart of Mr. Clinton's two-pronged drive to drastically cut the annual U.S. budget deficit while redirecting government spending toward long-term investments in education, job-training, transportation, research and programs for children. After the new spending, net deficit reduction amounts to about \$340 billion.

The U.S. financial markets, having pushed long-term interest rates down and bond prices up in anticipation of serious deficit reduction, waited nervously for the House vote. Analysts expected a broad retrenchment if the budget bill was defeated, and Treasury Secretary Lloyd Bentsen reportedly told wavering legislators that interest rates would shoot up if it failed.

Not one of the 176 Republicans in the House was expected to vote for the plan late Thursday. Republicans have criticized the plan as tax-heavy because it envisions as much, if not more, new taxation — \$250 billion — as spending cuts.

Democratic leaders and Mr. Clinton's White House team had to work feverishly throughout the day to amass a simple majority from among the 256 Democrats in the House. The president was reportedly lobbying nonstop by telephone.

Democratic leaders expressed increasing confidence as the day wore on that they would win passage. They prevailed in a test vote on limiting debate, 236 to 194.

Many Democrats feared that to vote "no" on the budget was to declare that their party was incapable of governing, but many also feared that to vote "yes" would invite a tax revolt.

The president's budget director, Leon E. Panetta, got to the heart of the matter when he said early Thursday: "There are a lot of members with their families on the grid-iron if we do nothing."

The conventional political wisdom in Washington held that unless Mr. Clinton could push through Congress the heart of his plan to shore up the American economy and create jobs, his presidency would be doomed. The House vote, moreover, is seen as only a prelude to what is viewed as an even more difficult vote when the Senate takes up the budget bill.

Party discipline in the Senate, where Democrats have 57 percent of the vote, is weaker than in the House. Mr. Clinton's proposed \$72 billion energy tax, which imposes a levy on the heat content of fuels, is under serious threat in the Senate.

It took until the early morning hours of Thursday for House Democratic leaders to fashion the compromise on entitlements. Under the deal, if automatic benefits for such programs as Social Security retirement benefits, Medicare and Medicaid cause spending to surpass projections already made by federal auditors, the White House and Congress would be legally required to act on the imbalance.

Conservative Democrats had wanted a firm cap on growth in entitlements, which now account for 40 percent of the U.S. budget outside of military spending and interest on the debt. Mr. Clinton, who already had trimmed some Social Security spending in his original budget, had resisted further cuts.

The deal on energy tax could be even more politically important. According to some accounts, the White House agreed to exempt from the tax exports of products, such as chemicals, that require significant amounts of fuel to produce.

The budget bill, if passed and signed, would represent a sea change in U.S. domestic policy. It contains the largest tax increase in U.S. history, including higher income taxes on the wealthy, a slightly higher corporate income tax, higher taxes on many wealthy Social Security recipients and the energy tax.

JAPAN: Quiet Historian's Lesson

Continued from Page 1

treated as outcasts. Over the years, he has become expert at explicating the weaknesses of a system that guarantees individual expression and yet manages so successfully to discourage it.

Law suits are relatively rare in Japan, but Mr. Ienaga was quick to realize that rarity makes them all the more conspicuous. So whenever he emerged from the courthouse, fresh from his latest defeat, reporters always surrounded him and splashed his latest examples of whitewashing on the front page.

There was the ministry's ban on the term "war of aggression" and its insistence that references to "anti-Japanese resistance" in Korea be changed to difficulties in obtaining "the Korean people's cooperation."

Indeed, rather than bury Mr. Ienaga's favorite examples, the court cases just kept them alive.

"I think I have been motivated by guilt, nothing else," he said.

During the war, when his health kept him out of the military, he was a teacher in Niigata. "Although I was opposed to the war, I did nothing to resist," he recalled. "So it can be said that my battle is one of resistance that came later."

A specialist in Japanese Buddhist thought, legal history and the intellectual movements of the Meiji era — when Japan's transformation into a modern state began in the latter half of the 19th century — Mr. Ienaga says he had no interest in spending three decades challenging the government. Had he chosen an easier path, few colleagues doubt he would have been showered with national awards.

Richard Minear, an American professor who is translating Mr. Ienaga's autobiography, said: "It is ironic, because without question he is among the top dozen Japanese historians in this century."

Education Minister Mayumi Moriyama wrinkled her nose recently when Mr. Ienaga's name came up. "I don't think that he has thought of Japan as a whole, or what he could do for the country," she said.

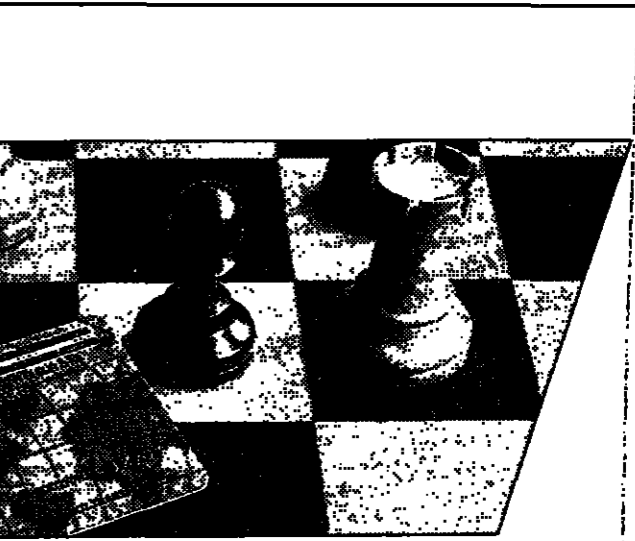
Although Mr. Ienaga may have lost in the Supreme Court, he inspired the foreign protests that led the Education Ministry to make changes.

"Unfortunately, the Japanese government is very weak against any pressure from foreign countries, but very strong against any criticism from its own people," Mr. Ienaga said. "So no matter what you do in Japan itself, nothing changes. Once the protests come from abroad, the government just throws up its hands and says, 'We will change!' Of course, they don't feel it."

Britain-China Talks Set On Hong Kong Airport

HONG KONG — Britain and China said Thursday that they would hold new talks June 4 on financing Hong Kong's airport project, which has become mired in a dispute over the colony's democratic future.

The project, estimated to cost about \$2.5 billion, has become a major friction point in Chinese-British relations. Beijing has rejected financing plans for the airport, saying they will leave Hong Kong with a mountain of debt after it returns to China in 1997.



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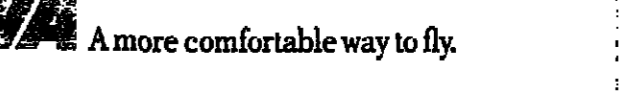
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Herald Tribune

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Forward in Cambodia

Millions of Cambodians, defying threats of Khmer Rouge intimidation, are turning out in elections that advance the United Nations' bold effort to re-create the pluralist society wiped out by war and terror during the past 20-year period. The voting, which ends this Friday, leaves immense problems untreated, but nonetheless amounts to a stunning spectacle of democratic revival in a place that most of the world had left for dead.

Just why the genocidal Khmer Rouge mostly held their fire this time—some even voted—is uncertain. Perhaps the faction simply saw no payoff in thwarting the popular will. Perhaps its business and military patrons in Thailand advised it to be discreet while the world was watching. The Khmer Rouge may be looking to an eventual victory by the royalist opposition, which promises to turn to Prince Norodom Sihanouk, the national father figure who has been promising to bring them into a government of national reconciliation. The other leading contender, the currently governing (Communist) party led by Hun Sen, owes its power to Vietnam and would, if it won the election, likely confront the Khmer Rouge head-on.

In Cambodia, the United Nations was asked to achieve extremely ambitious results, but it was not given the force or mandate to compel compliance by either

the Khmer Rouge or, a lesser but still a troublesome offender, Hun Sen. It has fallen short in arranging demobilization and rehabilitation and in staving off Thai and Vietnamese infringements of local sovereignty. In the face of these frustrations, the United Nations might have suspended its mission. Instead it rightly chose to push ahead as best it could. This makes it all the more important for the newly elected government to have the broad base that the big popular turnout now ensures.

Not even the most cheerful electoral result, however, can relieve the United Nations of its duty to stay engaged in Cambodia when its mandate runs out in August. It must be ready to deal with a royalist victory that elevates a faction which is popular but vulnerable to both the Khmer Rouge and Hun Sen, and also with a Hun Sen victory that empowers a party which is of improbable democratic commitment but is also the one other structured force that could confront the Khmer Rouge.

The United Nations must be able to convince would-be aid donors, public and private, that the election makes it safe and urgent to release funds. These are ways for the world body to see to Cambodia's transition from a killing field to a civil society building a new life for a torn nation.

—THE WASHINGTON POST.

Backward in Guatemala

It's the latest fashion in Latin American authoritarianism, and it seems to be catching. Following the path marked out by President Alberto Fujimori of Peru 13 months ago, President Jorge Serrano of Guatemala enlisted the army on Tuesday to help him abolish Congress, the courts and the constitution. His purpose was to stifle criticism of his economic austerity policies. Unless the Western Hemisphere's democratic governments respond more effectively this time than they have in the past, Latin America's recent political gains could begin slipping away.

Guatemala's democracy, like Peru's, was badly flawed. In both countries a white elite dominates an Indian and mixed-race majority, powerful armies trample human rights and resist civilian control, and corruptible courts mock the idea of impartial justice. But in Guatemala as in Peru, yet another army-backed coup, combined with a clampdown on the press and other independent voices, makes a bad situation even worse. In Peru, escalating Shining Path terrorism and a badly discredited congressional opposition at least gave Mr. Fujimori a plausible pretext for betraying democracy. In Guatemala, Mr. Serrano can claim no such excuses.

The Clinton administration, which quickly condemned the coup, should now move to halt Guatemala's 560 million U.S. aid. Meanwhile, the Organization of American States is preparing for an emergency meeting. But that probably will not be enough to turn the tide. Similar moves after the Peruvian coup brought only a small concession, the election of a new constituent assembly. Mr. Serrano has already promised to take that step on his own.

The failure of Western Hemisphere governments to restore democracy in Haiti, their even more glaring failure in Haiti, have encouraged authoritarianism elsewhere. Guatemala's do-it-yourself coup is one obvious result. Military runblings in oil-rich Venezuela, and now in Brazil, Latin America's largest and economically most important democracy, are further ominous signs.

Two years ago, at the high-water mark of Latin democratization, member countries of the Organization of American States pledged to take active steps to protect their proud democratic achievements. Without resolute and aggressive steps against Mr. Serrano's seizure of power, that pledge will be proved meaningless.

—THE NEW YORK TIMES.

Too Foolish for Arms

Some years ago, a boy who today would be in his mid-30s was delivering The Washington Post to homes in the Virginia suburbs. In a bedroom inside one house on the boy's route, an 18-year-old college student heard a noise outside and thought it might be someone tampering with his car. He fired a 16-gauge shotgun in the direction of a form moving through the early morning darkness. Todd McKinney, 13, an honor student and by all reports a very good kid, was hit by 210 pellets and bled to death in a neighboring yard. The young man who fired the gun eventually served 78 days in prison for involuntary manslaughter.

Last Halloween, a 16-year-old Japanese exchange student named Yoshihiro Hattori approached a house in a suburb near Baton Rouge, Louisiana, thinking it was the site of a party he was looking for. The homeowner confronted him and shouted "Freeze!" When the boy failed to stop (he apparently did not understand what the command meant), the man shot him to death with a .44-caliber Magnum, an awful weapon. This week Rodney Peairs, charged with manslaughter, was acquitted in the shoot-

ing death. He will serve no time in prison. The Peairs verdict brought forth a torrent of criticism in Japan of many things American, from the system of justice to segregated housing patterns and indeed the very culture. Much of it was angry, hyperbolic, quotable and wrong, but the death of Yoshihiro Hattori did remind the world yet again of an American embarrassment once described in a Washington Post editorial entitled "Shooting on Sight." "No legislation would have saved the life of young Todd McKinney on Monday. No one has proposed (although you would hardly believe it to hear the outcries of the National Rifle Association) that responsible citizens be forbidden to possess shotguns. No law can wholly curb recklessness and folly. But the country can begin to impose reason on recklessness, can begin to treat guns not as play toys or as sensible devices for dealing with every unexplained shadow or rustle in the darkness but as deadly, dangerous weapons."

Can it, though? Twenty-three years and many thousands of senseless deaths later, you have to wonder.

—THE WASHINGTON POST.

Other Comment

After Cambodia's Election

Twenty parties are contesting the polls, but apart from Prime Minister Hun Sen's CPP, only the Funciep party of Prince Norodom Ranariddh has any chance of either winning outright or being the dominant partner of a coalition. The Khmer Rouge declined to field any candidates.

If the CPP wins outright, the Khmer Rouge will come out shooting. But without the support this time of China and Thailand, Pol Pot's guerrillas will not easily sustain a major offensive. If Funciep wins outright, the CPP may try to sabotage the new government but will not make common cause with the Khmer Rouge. The outcome most likely to minimize postelection violence would be a Funciep-led "grand" coalition with Prince Ranariddh as prime minister and Hun Sen as deputy.

No matter who wins, the presidency will be offered to Prince Ranariddh's father, Prince Sihanouk, former king and head of state. Whether the universally revered but ailing and unpredictable father figure will accept is another matter. The 120-member elected body to be a constituent assembly; that is, while exercising legislative functions it will draft a constitution and decide how the president is chosen. Most likely this will

be by vote of parliament, but a national election is a possibility. If Prince Ranariddh heads the government, his father may persuade him to seek a formula for drawing the Khmer Rouge into a government of national reconciliation. But this could cause Hun Sen to withdraw.

—Asiaweek (Hong Kong).

The Danish Loopholes

The recent Danish "yes" vote for the Maastricht treaty was achieved only by granting the Danes major exemptions, including on such crucial issues as monetary union and common security policy. During the referendum campaign, the conservative opposition refrained from attacking the government in a joint effort to push Maastricht through, but now that that has been accomplished the conservatives have declared all-out war on the government, and have openly stated their intention of doing away with the special concessions for Denmark. Apparently they still have not realized that those concessions were the only way to get a "yes" vote, thereby demonstrating how little they understand the voters, and how little chance they have of returning to power any time soon.

—Neue Zürcher Zeitung (Zurich).

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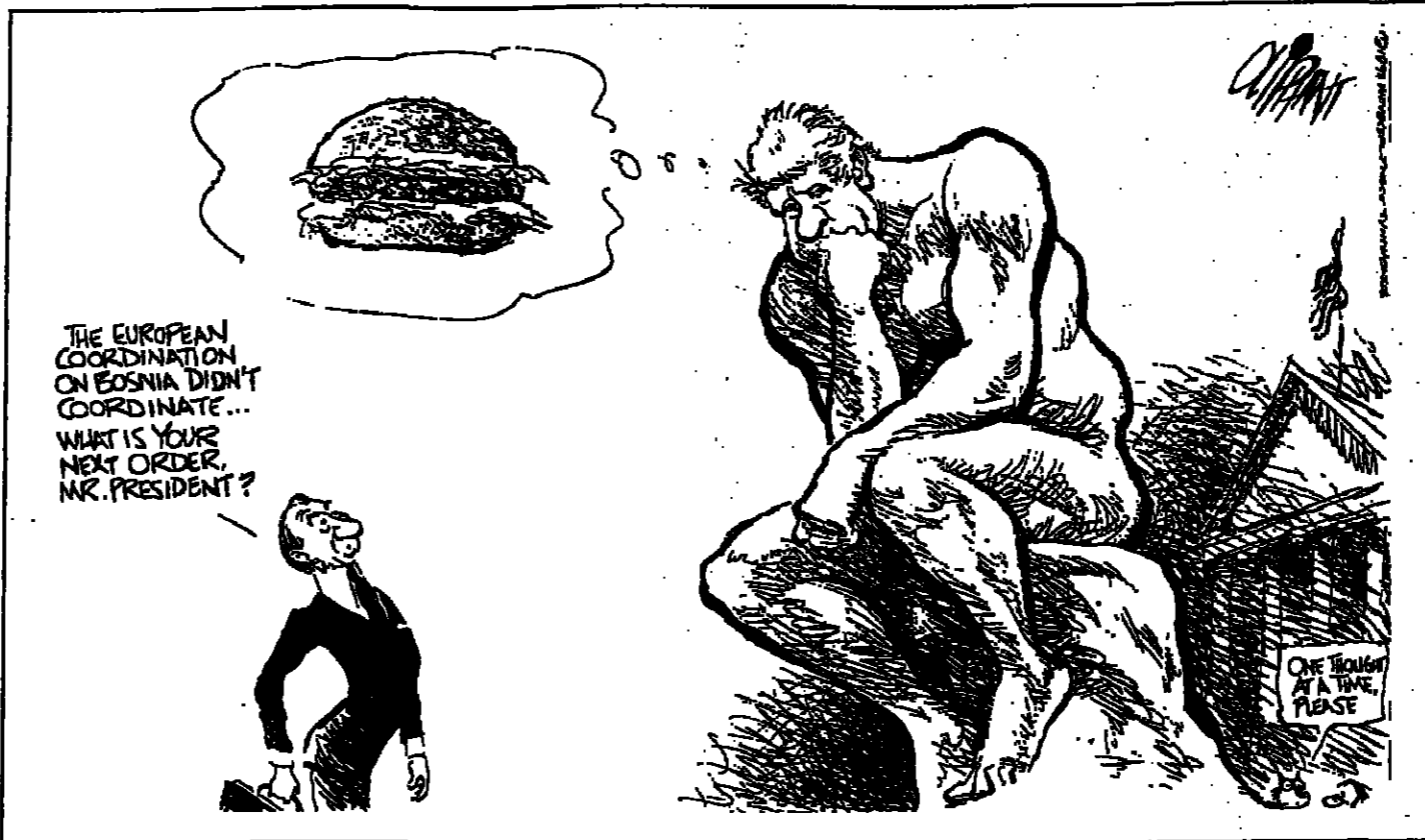
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America and Partners Need Clinton's Fiscal Plan

NEW HAVEN, Connecticut — Members of Congress repeatedly express horror at the persistence of budget deficits through good times and bad. The hour has come for them to put their money where their mouth is. Failure to pass President Bill Clinton's five-year fiscal plan essentially intact would be a great mistake.

It would send a message at home and abroad that federal fiscal policy remains out of control and that there is no concerted will to do what all sides agree must be done.

The country waited a long time for a president to take the lead in deficit reduction. Finally it has one. If Mr. Clinton, whose party enjoys a majority in both houses of Congress, cannot make a plan stick, we will wait a still longer time for another president with the courage to try.

Deficit reduction will never happen if individual members make support contingent on exceptions favoring their parochial interests, or pretend that it is easy to find large budget cuts painful to nobody but other politicians and bureaucrats, or act as if Americans can indefinitely enjoy reduced public services without taxes to pay for them.

We, as economists, are acutely aware that the weak and uncertain recovery — which this president inherited along with deficit budgets — is not the best environment for the contractionary impulses that will inevitably come from spending cuts and tax increases. That is why we favored an initial stimulus — twice as large as the one President Clinton put forward — to assure a robust recovery, giving the economy strength to absorb the needed fiscal surgery.

The Senate Republicans' successful filibuster against the president's modest jobs bill did the nation a great disservice. The abandonment of the investment tax credit in House committee was

another piece of thoughtlessness. It could have brought some welcome business investments right when they are needed.

All that is split milk. Let's not make another mistake, but get on with deficit reduction, relying on the Federal Reserve to manage the recovery. It will have to provide any stimulus needed to pep up the economy and offset contractionary impacts from deficit-reducing measures to come.

The fashionable idea that the bond market by itself will lower long-term interest rates enough to induce private spending sufficient to offset those impacts is wishful thinking. The Fed must do more than resist temptations to raise the rates it controls. It has to be ready to reduce them.

Neither of us agrees with every item in the fiscal package. But it represents more responsible budgeting than has been seen in Washington for a long time. Here are good reasons to pass it:

- The 1998 deficit would be reduced by about \$10 billion. That would make room, in a fully employed economy, for a 40 percent increase in spending on capital equipment, financed by private saving that would otherwise be absorbed by government securities.
- The federal debt would at least stop rising faster than the gross domestic product.
- The bond market expectations that shaved more than half a point from long-term interest rates would be confirmed. Should the initiative for deficit reduction fall apart, those interest rates would be likely to rise.

Although some features of the president's tax proposal have been bargained away, the Ways and

Means Committee bill would go a long way toward restoring tax equity and bolstering the federal revenue base. It would also promote some energy conservation, a welcome bonus.

We agree with President Clinton that the country must shift priorities from consumption, private and public, to investment, private and public.

Although most of the proposed new taxes and peace dividends are earmarked for deficit reduction, the plan before the House allocated small amounts to public investments aimed at a high-tech economy and a high-education work force. These are, like deficit reduction, justified by their payoffs to future Americans.

America's Seven partners have long been critical of its profligate fiscal policy and tight monetary policy. They are counting on the Clinton administration to engineer a shift to fiscal prudence and lower interest rates.

The United States in turn is urging fiscal expansion to speed growth in Japan and monetary ease to cut interest rates in Germany and the rest of Europe. That may well be the right brew for the ailing world economy — and for the U.S. trade deficit. But such international cooperation might fall apart if Congress balks.

For 12 years, Washington gave the world an object lesson in how divided government leads to gridlock. Now it has an opportunity to show that American government is not structurally doomed to gridlock. Let the members of both Houses and parties stand up for effective democracy.

Mr. Solow and Mr. Tobin, Nobel laureates in economics, are, respectively, professor of economics at the Massachusetts Institute of Technology and professor of economics emeritus at Yale University. They contributed this comment to The New York Times.

Sanctions Can Work, but Apply Them With Care

BERLIN — Whether or not to appease recalcitrants in the international arena is a tricky question for democracies. Rules are not easy to come by. The appeasement of Hitler at Munich is widely seen as a grievous error. Sanctions against the Ian Smith rebels in Rhodesia undeniably helped to bring about Zimbabwe. But did sanctions change Cuba for the better?

Indecision can be the worst of all worlds. Bosnia burns more fiercely as indecision plagues the chancelleries of the West.

The bigness of the bandit can influence things markedly. Democracies find it more convenient to dicker tin-pot dictatorships because the price, in terms of lost trade and diplomatic retaliation, is cheap.

What, then, about China? There is no question: The current Chinese power structure is one of the more repressive in the world in this century. The most persuasive appearances by its leaders on CNN and the tactical release of human rights prisoners cannot wash away the indelible impressions of Tiananmen Square.

I have found it surprising, on a visit to Europe from my native South Africa, that there should be so much indecision in the United States and elsewhere over whether to lift the

squeeze on China. It is difficult to see what has really changed for the better in China, apart from cosmetics.

It was thus refreshing to read A. M. Rosenthal's argument against the current campaign by China trade lobbyists in the United States (1/27, May 22). The "trickle-down" argument, which holds that more trade will liberalize a regime, is as old as the hills. Generally it is a case of business special pleading for stepped up trade, and to hell with human rights.

It was a familiar story in South Africa in the cruellest days of apartheid repression, when the white business lobby opposed sanctions on the ground that they would, among other things, harm other Africans — whose leaders, with minor exceptions, were calling for stronger action to end apartheid.

White-run business had a remarkable Damascus Road experience — discovering black suffering. It came after years of comfortable, unspoken coalition with the apartheid government, which ensured dividends and foreign exchange access to business while the government flayed blacks and looted the nation's wealth. Crucial to these designs was the cheap-labor migrant worker sys-

tem, described even by pro-government churches as a "cancer" in the life of the nation.

There is fairly general agreement in South Africa today that sanctions did press the government to change, specifically to release political prisoners and allow "more normal" politics.

Pieter W. Botha, succeeded in 1989 by the reformist Frederik W. de Klerk as president, used the kid-glove treatment he received from the West as a license to smash much of southern Africa with his army, and to contain internal black dissent by force.

Of course, blacks — notably the youth — fought the armored cars with their bare fists and, helped by the tightening grip of international sanctions, brought the system to the verge of collapse. The death of world communism contributed largely to change because it made South African whites, particularly Mr. de Klerk, more ready to try democracy in the black-majority country.

Whatever happens on that front (and news of a date for all-race elections is imminent in South Africa), there are lessons flowing from the period of pressure on Pretoria.

Sanctions are blunt instruments, and if extended willy-nilly from trade

Just Who Are These Visitors Helping?

WASHINGTON — Political survival reached new peaks this week as hundreds of African-Americans gathered for a second African American Summit in Gabon, a Central African state on the brink of bankruptcy and popular rebellion.

As students marched in the streets to protest the collapsing infrastructure, the foreign minister — the daughter of President Omar Bongo — offered glib new arrivals a fashion show including a half-dozen European models especially flown in for the event, strutting the latest creations to the accompaniment of Michael Jackson CDs.

In 1991, authoritarian African leaders used the African-American delegation to the first such conference, in the Ivory Coast, as a public relations prop. Many African-American conferees wonder whether that is happening again in Gabon.

Upon formal independence from France in 1960, Gabon possessed the greatest economic potential in black Africa. With a small population and abundant natural resources, it appeared destined for prosperity. Yet today Gabon is essentially bankrupt.

Corruption and mismanagement have impoverished the people and saddled the country with the world's highest per capita indebtedness. Income from the 1970s oil boom disappeared into private bank accounts, profligate projects like the 1977 Organization of African Unity summit and President Bongo's \$139 million palace in Libreville.

In mid-April, Gabonese took to the streets, demanding restoration of water and electricity, which had been cut off for about six months as the country's infrastructure crumbled.

By George B. N. Ayittey

Mr. Bongo's presidential guard brutally suppressed the demonstrations, killing several people.

In December, Mr. Bongo will seek a fifth seven-year term in the country's first multiparty presidential election. What better opportunity to burnish his image than the "summit"?

While the U.S. commerce secretary, Ron Brown, and most U.S. congressmen prudently avoided the potential trap, American organizers attracted some prominent U.S. delegates by arguing that the aim was to increase cooperation between the United States and Africa's developing countries. Those attending include Jesse Jackson, Louis Farrakhan, Andrew Young, Coretta Scott King, Louis Sullivan, Governor Douglas Wilder of Virginia and Representative John Conyers Jr. of Michigan.

The meeting's emphasis is on building business links with Africa. Unfortunately, these have served mostly to bolster corrupt leaders across Africa. African-Americans could best help their black brothers and sisters by pressing the transcendent issues of freedom and open government.

An opportunity for African-Americans to promote democratization was squandered two years ago when President Félix Houphouët-Boigny of the Ivory Coast hosted the first African American Summit. Participants gathered at the president's hometown of Yamoussoukro, site of the world's largest Roman Catholic basilica — erected at a cost of at least \$360 million, in a country in which annual per capita income is \$1.381.

The African-Americans in Yamoussoukro had only praise for the African leaders who for feasts and photo opportunities. There was not a word about the murder of more than 80 pro-democracy demonstrators the week before in neighboring Mali, nor a murmur about the 26 missing pro-democracy demonstrators who had been found at the bottom of Lomé lagoon in nearby Togo. One of the corpses was that of a woman with her baby still strapped to her back.

Benjamin Hooks, then director of the National Association for the Advancement of Colored People, was quoted as saying: "There is little black Americans could or should do directly to foster or affect political change in sub-Saharan Africa... I don't think it is our business to meddle in their affairs."

As delegates were being guided through Yamoussoukro, a citizen asked: "Why have you black Americans let us down?"

African-Americans in Gabon should ponder this. They ought not to allow themselves to be used by President Bongo. At this meeting they should instead reinforce the democratic values that most Africans hold as America's most admirable quality.

Early reports from the meeting have not been encouraging. Not a single delegate attended a public meeting called by Gabonese human rights groups and opposition political parties to protest human rights abuses in a country claiming to be a model for the continent's democratic future.

The writer, a native of Ghana, is associate professor of economics at American University and author of "Africa Betrayed." He contributed this comment to the Herald Tribune.

to cover sensitive areas such as the academic world, arts and thought can permanently impoverish a nation. Significantly — and farsightedly — some British universities stuck to their guns in face of criticism and maintained academic contact with even Ian Smith's university in Salisbury (now Harare) after his rebellion.

The denial of the best in television, letters and the arts affected both Rhodesia and South Africa, producing a strangely spastic public opinion, at least among whites.

People began to believe in caricatures of themselves and of the world. White Rhodesians were convinced that the West had "gone to the dogs" and that world communism was a rampant force — not long, ironically, before the Berlin Wall fell. White South Africans, with limited information available to them, cherished the belief that a world power like the United States would join them in a crusade against communism, or what they viewed as communism, for instance in Angola — where South African forces were left high and dry, with no U.S. support, just south of Luanda in 1975.

Both the white Rhodesians and many white South Africans firmly believed that Barry Goldwater would make it to the White House — and that Robert Mugabe would lose the election in Zimbabwe in 1980. Ignorance fueled wishful thinking. Denial of the best on television and film led South Africans to believe that "Dallas" and "Dynasty" were what America was all about.

Treading the sanctions path has to take account of such factors. The key question, in relation to China or anywhere, is: What sort of people will emerge when sanctions and repression end?

The writer is former editor of the Cape Times in Cape Town. He contributed this comment to the International Herald Tribune.

IN OUR PAGES: 106, 75 AND 50 YEARS AGO

1893: Opera Weed-Out

PARIS — The Minister of Fine Arts has instructed the management of the Opera to reduce the number of singers to what is strictly necessary, and there will be a weeding-out which is likely to cause some sensation. The managers intend to pension off some of the older members of the orchestra who are no longer at their best.

1918: Mum's the Word

PARIS — The following Note was communicated to the Paris newspapers last evening (May 27): "By its bi-daily communiqué the Government keeps the public acquainted with the military operations and their development. With regard to the bombardments of the Paris region the position is not the same. If it is inconvenient to indicate the positions where we find ourselves in contact with the enemy, it would be a real crime to permit the Germans, by details which we ourselves furnish, to rectify a most

Markets To Enter In Asia

By Hobart Rowen

WASHINGTON — The Clinton administration needs to pay more attention to Asia — all of Asia, not just Japan and China — because that is where the trade action is. Some Americans are astonished to learn that the value of American exports to Asia already surpasses total sales to Europe, and the gap is growing.

By the year 2000, the value of America's Pacific trade will double its Atlantic trade, in the estimate of Paula Stern, former International Trade Commission chairman.

The Commerce Department took note of this trend with a cover story on APEC, the 15-member Asia-Pacific Economic Cooperation forum, in its April 5 issue of Business America. The United States is APEC chairman this year, and will host a ministerial meeting in Seattle in November.

APEC offers the Clinton administration an opportunity to put its stamp on trade policy. So far, in pushing for completion of the Uruguay Round of multilateral trade negotiations, and for the North American Free Trade Agreement, Bill Clinton has been working on an agenda largely inherited from George Bush.

Mr. Clinton and the U.S. trade representative, Mickey Kantor, would like to stake out a new course. While any new initiative must take its place behind the Uruguay Round negotiations and NAFTA, they know that trade with the APEC countries holds enormous promise.

But, as Ms. Stern points out, the American private sector and the Clinton administration must be more aggressive in building a relationship with Asia. In a recent speech in Bangkok, Ms. Stern said that "firms that have as their strategic ambitions to be global players must be major players in the Asian market." Last year that market accounted for about one-quarter of global GNP, compared with 4 percent in 1960.

Unleashing the private sector initiative, Ms. Stern argues, must be new American "pro-economic policy" toward Asia, composed first of strong leadership by President Clinton, and second of public awareness of the extent to which America's future prosperity depends on Asia.

Ms. Stern said in an interview that APEC should be viewed as only "one piece of a major, integrated trade strategy, reflecting what is in America's own national interest." She would like to see NAFTA and APEC linked. Singapore, for example, would be ready to join NAFTA.

Behind the scenes in the Clinton administration, there is recognition that the Asian countries are not mere "tigers" producing consumer goods for the United States, but are even more important as markets.

But many Americans continue to have negative feelings about the smaller Asian countries, whom they regard as smaller editions of an export-hungry Japan.

Since its first meeting in Australia in 1989, APEC has grown from 12 to 15 members by admitting China, Hong Kong and Taiwan. It also established an Eminent Persons Group, comprised of experienced, private-sector trade hands from 11 of the countries to draw up a plan for trade in the Asia-Pacific region.

The American member, and group chairman, is C. Fred Bergsten, director of the Institute for International Economics. He said in an interview that the Asians' interest in APEC is driven by three concerns: worry that the global trade system symbolized by GATT is falling, dislike of the United States from greater opportunities in Asia; and fear that America will withdraw from Asia, and that the void will be filled by Japan or China.

The Asians are even more worried about China than about Japan, he said, because "they don't know how to assess China's growing power."

The possibility of a Pacific Free Trade Agreement will be discussed by Mr. Bergsten's group in Tokyo early next month, and again in Seattle. Some APEC members favor exploring that concept at a first-time economic summit meeting of the 15 nations' leaders after the Seattle meeting.

APEC may be a vision that will never come off. Some Clinton administration officials are loath to talk about it until NAFTA is a reality, and until Japan has committed greater market access. And Mr. Clinton, after his major public relations and public confidence battering in the past few weeks, clearly must focus on getting his domestic economic program through Congress. If he fails, all bets are off — on everything.

The Washington Post.

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OPINION

A Wrong-Note Symphony Under Mr. Don't-Blame-Me

By William Safire

WASHINGTON — Here's the good news: They're learning. George Stephanopoulos, 32 going on 50, is no longer cockily expressing amazement that anyone could be interested in a minor shakeup in the White House travel office.

"Mack" McLarty, the Clinton chief of staff ever since kindergarten, put five of the dismissed staffers back on payroll. "Mack the Nice" and Leon Panetta will try to see that political patronage and the police power do not again get mixed.

The White House counsel, Bernard Nussbaum, discovering abuse of the FBI for political purposes by the White House, admitted to wrongdoing but promised Attorney General de Jure Janet Reno never to go to the federal bureau behind her back again.

These three men have properly assumed responsibility for the mishmash of hubris, favors, white lies, inexperience, misunderstandings and ignorances that led to a mini-firestorm — compounded by the \$200 haircut, for which they had better be sure the president paid.

This column would have gone on in this upbeat fashion but for two reactions from people who didn't get the word, plus one stonewall.

One was from the fellow playing the piano downstairs, blissfully unaware of happenings in the rest of the house. "I had nothing to do with any decision," declared Mr. Clinton, "except to save the taxpayers and the press money." Why is his opening song always "Don't Blame Me"?

Then Linda Bloodworth-Thomason, standing by her man, adopted the too-rich-to-steel defense: How could any couple who made over \$6 million a year, and who had a lousy \$25,000 investment in a travel business (pocket change), possibly want to deprive six little people at the White House of their living? "It's sort of the equivalent of taking over a lemonade stand."

Perhaps, to the Clintons' best Hollywood friends, an \$8-million-a-year travel operation — which the president's cousin Cathy was eager to run, and the Thomasons' air charter buddies were hungry to profit from — is a mere "lemonade stand," a figure of speech that betrays contempt for the poor slob with cheaply shorn tresses who voted for Bill Clinton.

And perhaps the White House's application of the full power of the FBI in providing cover to Clinton patronage is all in the imagination of "the incestuous incestuous incestuous" that is the national press, as Mrs. Bloodworth-Thomason charged, which will hardly endorse her to mental health workers.

But the craven conduct of the Justice Department in this affair is worth a closer look. On May 12, William Kennedy at the White House summoned FBI agents; they took the data to Thomas Kubic, the White Collar Crime Section

chief; he took it on May 14 to Jerry McDowell of the Fraud Section.

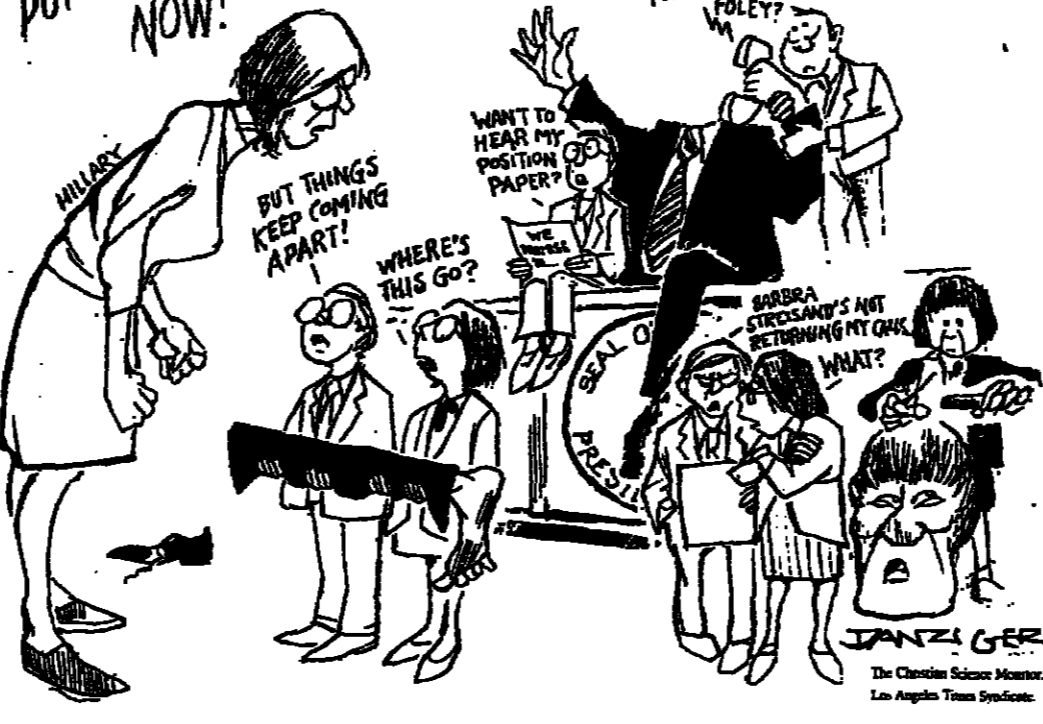
The Thomson-triggered probe then went to John Keeney, acting chief of the headless Criminal Division, who reassigned it to Joseph Gangloff, running the Public Integrity Section; on Wednesday, May 19, a two-page "Urgent Report" was forwarded by Mr. Keeney by hand to Associate Attorney General Reno, copy to Associate Attorney General Webster Hubbell. The next day, Mr. Stephanopoulos began putting out the word, getting the FBI press agents to strengthen the language.

Not until the following Monday, May 24, when she read a barb in one of my columns about White House abuse of the FBI, did Ms. Reno call Mr. Nussbaum with her complaint about not being informed of the investigation.

The counsel's office promised never to ignore her again. Ms. Reno will not take a call from me on this; a press aide, Carl Stern, blowing his cool, says only, "Use your sources." It seems that the attorney general's big problem is with not reading her urgent mail.

The New York Times.

SOME WHITE HOUSE STAFF YOU ARE! PUT HIM BACK TOGETHER, NOW!



The Answer to Aid Appears In Those Precious Beakers

By Larry J. Silverman

WASHINGTON — Prozerak, a small city in a northwestern region of Russia known as Karelia, is so far off the beaten track that the shopkeepers there won't even accept American dollars. Only Russian rubles are good here, I was told, and markkaa — the currency of neighboring Finland, which until 1940 owned Karelia.

I was traveling with a delegation of Americans specializing in the management of municipal water and sewer systems.

MEANWHILE

tems. Our Russian hosts told us that Prozerak, which translates roughly as "Lakeside," had been the scene of one of those epic battles that seem to characterize the Russian environmental movement, pitting a gigantic industrial enterprise spewing toxic chemicals into the beautiful forests and clear waters against a courageous scientist chronicling the injury to health and the environment.

There are usually only two outcomes to these disputes: Close the factory or continue the pollution. In Prozerak, they closed the factory. The quality of drinking water improved dramatically as did the health of the town's children. But the local economy plummeted.

The pride of Prozerak is its water filtration plant. A community that had sacrificed so much for clean water was not about to let its drinking water infrastructure fall apart. The engineers in our group were amazed at how well the facility operated, considering how little there was in the way of tools, materials and equipment. In the laboratory, for example, miniature hourglasses did the work of the electronic timers found in American laboratories.

"Are you satisfied with your equipment?" one of us asked. "Oh yes," we were told, "it is satisfactory, except for the glassware."

The small lab in Prozerak, like thousands of laboratories throughout Russia, used to get its scientific beakers, flasks and tubes from East Germany at a low cost. That was before the "current process of disintegration," as the mayor explained. About five years ago, the German glass stopped coming. Prozerak has not seen a new piece of lab glass since.

A broken glass means big trouble. As we were leaving, one of the Americans asked for a drink of water. The lab technician rinsed out a precious beaker and filled it with the water station's safe and healthful product. Each of the Americans in turn drank from the same beaker as the technician rinsed it and filled it and rinsed it again. This was the first and only publicly supplied water that any of our delegation drank in Russia. We wouldn't do this in Leningrad, one of us remarked. I will never forget the smiles of pride on the faces of these Russian municipal workers.

I think of those faces and of that beaker when I hear pundits declare that sending aid to Russia is like putting money down a rathole. The water filtration station in Prozerak is no rathole. Providing laboratory glass there at low cost or no cost would strengthen a vital institution and win friends for America. It would also provide jobs to American glass makers. And when the Russian economy recovers, such aid could open large markets for American products.

Despite decades of deadening centralization, the Russian people have built thousands of viable local and regional institutions. These include municipal governments, universities, private businesses, government agencies, hospitals, farms, factories, utilities, railroads and many others. These institutions must continue to operate as matter how the power struggle in Moscow resolves itself. The alternative is untold suffering. The challenge to the U.S. government and other aid givers is to identify these institutions and support them. This will require a new approach to technical assistance. Small teams of Americans with practical experience in many fields should be fanning out across Russia not just to offer advice and training, although these are important, but to learn from the Russians what they need and how it can be gotten to them.

The primary purpose of these technical assistance teams should be to advise the U.S. government on how to target assistance, how to distribute aid and how to do so without hurting indigenous enterprises. A secondary purpose of the teams should be to encourage commercial and intellectual exchanges that could continue without further government involvement. Obviously the instability of the central government in Moscow is an impediment to effective assistance. So is the rigidity of U.S. government bureaus and international banking institutions. America's aim in Russia should be to support the vital enterprises of the Russian people, not to shore up one particular government, no matter how friendly that government may be.

President Boris Yeltsin's electoral victory last month was a stroke of luck for U.S. foreign policy. Despite incredible hardships, the Russian people turned away from militarism and empire and embraced democratic ideals. But the capacity of even Russians to suffer is not unlimited. The immediate challenge for the American government is to help the Russians realize some of the material benefits of their newfound freedom. This means not just aid but effective aid — assistance that improves the living conditions of the people. If Americans can help Russians help themselves to a better economy and safer ecology, they will take care of their own political problems.

The writer is an environmental attorney. He contributed this comment to the Washington Post.

No Fishing Just Yet

Regarding "American Ground Zero" (Books, May 14) by T. H. Watkins:

Years ago, when I needed some information about geomagnetic physics for a novel I was thinking of writing, I talked with a physics professor at my college in Portland, Oregon. He was very helpful in supplying the information I needed, after which we sat in his office and chatted. What he told me in an informal conversation was probably more important than what I had come for.

He had been hired after the Hanford nuclear power plant was built in 1963 as part of a team to take water and river-soil samples from a boat at various points on the Columbia River. Hanford is the largest plutonium production facility in the world, and the 650-square-mile (1,680-square-kilometer) reservation around the Hanford plant is used as a graveyard for radioactive waste.

His job did not last as long as he had expected; the samples kept coming up with alarming amounts of radiation. The results were too embarrassing to be made public; the research boat was shut down and the scientific data already collected were buried.

"Nuclear power was still new then," he said with a shrug. "No one really knew what they were doing. Nobody understood what the long-term damage would be like." He went on to say, "There's just no way to get the radiation contaminants out of the riverbed now."

I'd advise you not to fish in the Columbia River.

For how long? "Oh," he considered for a moment, "the half-life of plutonium is 24,000 years. Not for a while, I'd think."

LEE WOOD, Paris.

The Right Thing to Do

Regarding "Green Foreign Aid Would Sell Better" (Opinion, May 5) by James C. Clad and Roger D. Stone:

This article plows familiar ground but neglects a critical point. Yes, foreign aid is not a big seller on Main Street. Yes, a new focus on basic human needs and the nurturing of civil societies will be enhanced if it can be made economically advantageous for the U.S. environmental industry.

But for the poorest countries, U.S. foreign aid cannot be "market-centered" because the markets are not there. The poorest nations simply do not have purchasing power for "green" or any other products.

By implying that Americans will not support assistance to these countries simply because it is the right thing to do, the authors sell them short. We Americans are a generous people. Our humanitarian instincts will continue to respond positively to opportunities for modest, well-planned aid for health and development with no strings attached.

ELIOT T. PUTNAM JR., Washington.

Words, Words, Words

Regarding "Somali Warlord Sees Himself Reborn as 'Freedom Fighter'" (May 12) by Keith B. Richburg:

It is evident that Operation Restore Hope has not removed the warlords; it has rehabilitated them in a new guise. Their transformation into politicians aspiring for electoral success would be welcome were it not for the fact that they retain substantial arsenals and plan to use them whenever necessary.

UN and U.S. diplomacy, culminating in the Addis Ababa agreement in March, has done nothing to dilute the power of the warlords. The talk about nurturing civic groups as alternative structures of power and authority has been precisely that: talk.

It seems that the United Nations in Somalia is set on the path that has so signally failed in Cambodia and Angola. Blind faith in a chimerical paper agreement cannot replace the imperative of systematic disarmament and patient reconstruction of civil society.

ALEX de WAAL and RAKIYA OMAAR, Co-chairmen, African Rights, London.

Unending Equivocation

I have given up reading about Bosnia. After more than a year of reading about equivocal statements, absurd proposals,

endless postponements and cowardly excuses, I must conclude that the European governments intend to sit tight until the Serbs have completed their "ethnic cleansing" and created a Greater Serbia. Nor will the United States do anything to halt the suffering, justifying its inaction by the inaction of the Europeans. I don't want to read any more about it. I don't want to hear about the shame and stupidity of it all.

LEONORE SUHL, Portimão, Portugal.

Down With Sexualization

Regarding "Toward New Limits on Sexuality" (Opinion, April 28):

How uplifting to read Edwin M. Yoder Jr.'s eloquent plea for the "drastic desexualization" of the American public space, "now replete with promiscuous display and titillation." His remarks are particularly appropriate at this time of year. Spring weather encourages all kinds of sexual thoughts in the minds of office workers, leading too frequently to unbusinesslike banter, diminishing profits and surely resulting in a competitive disadvantage with the Japanese.

It is rather humbling to realize that the Puritans' struggle to eliminate sex from national life goes on, three centuries later. Carry on, Mr. Yoder; your crusade is as American as cherry pie.

JOEL COHEN, Newburyport, Massachusetts.

LETTERS TO THE EDITOR

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Traveler, Beware, You're a Target

Thieves Refine Tactics As Tourism Flourishes

By Philip Crawford
International Herald Tribune

LAST month's robbery and murder of a German woman vacationing in Florida has galvanized public awareness that tourists who are unfamiliar with their surroundings can be the most likely victims of crime.

Such extreme violence is rare. But the theft of cash, credit cards and other valuables from purses, coat pockets, hotel rooms and automobiles is rampant, say travel industry and law enforcement professionals worldwide. Scams aimed at unsuspecting tourists are ubiquitous.

Moreover, as international tourism continues to grow — it's now nearly a \$300 billion industry (excluding international transportation) — and increasing every year, according to the World Tourism Organization in Madrid — the same types of cons are evolving everywhere. The identical modus operandi used to pick your pocket in a New York airport may victimize a tourist in London or Moscow, say authorities.

Most crimes for which tourists are frequent targets can be prevented if travelers take common-sense precautions and know the kinds of scenarios to look out for.

"The basics, of course, involve things such as not carrying much cash, always being aware of where one's wallet is, not wearing expensive jewelry, and never leaving valuables in one's hotel room or car," said Sgt. Peter Kilburn of the City of London Police. "Tourists also shouldn't wander into remote parts of an unknown city. But even if you cover those bases, you've still got to watch out for all kinds of other things."

The most common crime against tourists by far, say law enforcers, is the time-honored pick-pocket scam, and methods appear ever more sophisticated. Thieves often work in

pairs, lurking around airport terminals, train stations, major tourist attractions and urban shopping boulevards. Typically, one person will distract the target — by dropping something to be picked up, requesting information of some sort, even collapsing in feigned illness — while the other brushes by picking the pockets or whisking away luggage which the victim has momentarily turned his back on.

According to the U.S. Department of State, travelers to Rome, Milan, Warsaw and Prague need to be particularly watchful of such tactics.

Another common strategy in Europe involves packs of teenagers or even young children who will distract tourists by pretending to fight among themselves. Amid the pushing and shoving, one or two gang members ease their hands into pockets or purses.

"Some of the pickpockets are very skilled," said Jürgen Stoltenow, a spokesman for the Bundeskriminalamt, Germany's federal law enforcement agency. "But it's not only tourists who have to be watchful. Plenty of German people have fallen prey to such thieves as well."

Stoltenow said that the Frankfurt airport, Germany's busiest, is a frequent haunt of scam artists, and that car break-ins there have been a serious problem.

A particularly unappetizing pickpocket tactic in New York, say police, involves use of the small plastic packets of ketchup and mustard known to the sidewalk food trade. While eating a salted pretzel or other hand-held food item, a thief will squirt the gooey substance on a target and then, amid much apologizing, insist on helping to clean the soiled shirt or jacket. That's when the wallet gets pinched, and police say that it can happen astonishingly fast.

The burglarizing of hotel rooms also remains widespread despite the presence of sophisticated, computerized key systems, say travel industry officials. Part of the problem is theft by employees, but lax



Illustration by Jeff

in-house security can also play a role. Reports from Moscow, for example, indicate that some hotels catering to tourists still employ the traditional *dezhurnaya*, or key lady, who requires guests to leave their keys whenever they exit the building, but who then often leaves the keys unattended.

Another approach is that of thieves who knock on hotel room doors, identifying themselves as employees needing perhaps to check the thermostat or to deliver a gift from the hotel management. Once inside the room, they rob the guests, often at knife- or gunpoint.

FORTUNATELY, some preventative steps are being taken to combat that tactic. The American Automobile Association, a U.S. travel group, recently informed over 22,000 member hostels that, by 1995, deadbolt locks and peepholes must be standard equipment on room doors if the establishment wish continued inclusion in AAA's widely-used travel guides. While no such sweeping action is in the works in Europe, authorities there say that efforts to heighten public awareness of common crimes against tourists are stepped up during the summer season.

Crimes against motorists, who are sometimes tourists driving clearly-marked rental cars, are perhaps the most insidious, say police, because they prey on natural responses to get out of one's car after being hit, or to help another motor-

ist who is apparently in distress. The German woman in Florida was bumped from behind by thieves driving another car. When she got out to investigate, she was attacked, robbed and run over.

Another scenario, say European police officials, is the flagging down of a car by a roadside motorist who appears to have engine trouble or who is standing next to a companion who is lying down and apparently ill. When the passerby stops to help, hidden accomplices emerge and the theft takes place. A flurry of robberies using such tactics occurred two summers ago on the Spanish coastal highway leading from France to Valencia, but they eventually died down. Police advise tourists, particularly those traveling on remote areas of highway, to keep driving if confronted with such a situation.

Joseph Russo, a vice-president of Hertz Corp., the world's largest car rental agency, said a program is under way in the United States to remove all identifying stickers from the Hertz fleet, as well as to persuade state agencies which require special license plates for rental cars to drop that mandate. Following last month's tragedy, Florida has already done so.

"It's amazing how many people leave their common sense behind when they go on vacation and there will always be some crime," said Emily Porter, spokeswoman for the Virginia-based Society of Travel Agents. "But you'd also be amazed at how much of it is preventable if people keep their wits about them."

Save Money, Gain a Weekend

By Roger Collis
International Herald Tribune

THE recession it seems is the mother of invention. Business travelers trying to stretch their dollars have found a devilish way of beating the system by planning trips over the weekend to take advantage of the cheapest air fares and hotel rooms. The secret is Saturday night management.

In the United States, the Internal Revenue Service has ruled that travelers can claim weekend expenses as a legitimate business deduction if they use low-cost air tickets that require a Saturday night stay even if no business is transacted until Monday. Given that

The Frequent Traveler

the lowest fare is typically 30 percent of the price of an unrestricted economy ticket, corporations may encourage travelers to buy cheap and add a weekend to their trip. In large cities many hotels slash rates over weekends, typically by about 50 percent. So an executive could bring a partner along on expenses, still save money, and enjoy.

The professional business weekender exploits the advantages of a cheap fare that locks you into prebooked flights. "Hank, I'll have to miss the emergency budget meeting, I can't change my ticket." On the other hand, an APEX/PEX ticket typically costs just half the normal round-trip fare, so you are still fairly flexible. If you need to cut short your trip, you simply throw away the return coupon and buy a single ticket home.

Should you wish to avoid a Saturday night stay buy a series of back-to-back APEX/PEX tickets. It works best if you commute or travel regularly between two cities. Let's say you

work in Paris and visit Dublin on weekends. You buy two tickets, one at either end. Monday you fly to Paris on the first ticket and back to Dublin Friday on the second ticket. The following Monday you use the return half of the second ticket and on Friday the return half of the first ticket. And so on.

You save a ton of money. A business class/normal economy round-trip for Dublin-Paris is about \$900. You can buy a deep-discount ticket with the Saturday night stay for less than \$250. For about \$350 you can buy a similar round-trip ticket from London to New York. Business class will set you back around \$3,200 — about nine times the price.

Flying economy on short-haul is not an ordeal within Europe. You are better off with one-class airlines such as Air UK, Crossair and Transwede, which offer business-style standards of service for everyone. What's more, nobody can tell that you're on a Saturday night ticket. In the United States, consider one-class carriers like Kiwi International based at Newark, New Jersey, which offers upgraded all-coach service.

Long-haul flights — especially from Europe or North America to the Far East —

require more serious planning. "There are only two kinds of plane, empty ones and full ones," says the British author Anthony Sampson. "Anything else, class, cost or airline, doesn't matter. The crucial thing is to find empty planes. At night it's best to fly economy where you can put the armrests down. It's more comfortable than first class."

Arguably, the most valuable perk in business or first class is to have the run of an airport lounge, where you can unwind away from the madding crowd. But even Saturday night folk can enjoy this amenity by joining an airline club. In the United States, airlines are obliged to offer a club membership to the general public (annual dues are \$100 to \$150, plus a one-time enrollment fee in some cases).

For clubs such as those of Lufthansa, Swissair, KLM, Cathay Pacific and British Airways, you must spend a minimum on tickets or fly so many miles a year. This can lead to some satisfying ironies. For example, a Saturday night traveler who is a member of Cathay Pacific's Marco Polo Club, gets to use the lounge at Hong Kong; a full-fare business passenger who is not a member does not.

DO'S AND DON'TS

One-Class Airlines

Do look for airlines with one-class service throughout the plane. You are likely to get higher standards than in most economy cabins.

For Comfort at the Airport

Do join an airline club, which secures access to an airport lounge.

In for the Long Haul

Don't forget to bring an air cushion and executive lunch pail for long-haul economy flights.

Stretching Out

Do check how full the plane is likely to be. Try to get a row of four seats in economy where you can sleep.

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THE ARTS GUIDE

AUSTRALIA

Sydney Powerhouse Museum (tel: 217.01.11). To Dec. 1: "The Australian Dream: Design and the Australian House of the 1950s." A survey of Australian decorative arts in the '50s, featuring more than 150 examples of architecture, interior design, furniture and lighting.

AUSTRIA

Vienna Palais Liechtenstein (tel: 341.2589). To July 13: "Makom." A survey of the contemporary art scene in Israel.

BELGIUM

Brussels Musée Royal des Beaux-Arts (tel: 508.3211). To June 27: "Jacob Jordaens." A retrospective featuring 180 paintings, drawings and engravings by the Baroque artist.

BRITAIN

London Barbican Centre (tel: 638.5403). May 28 to June 25: "Natchez on the Mississippi." More than 200 photographs document the history of Natchez, a small town in America's deep south between 1870 and 1913. National Gallery of Art (tel: 737.4215). To July 25: "The Great Age of British Watercolor: 1750-1850." The show features 150 masterpieces by more than 70 artists including Gainsborough, Constable, Blake and Turner.

The Royal Opera (tel: 240.1911). June 21, 23, 25: "Tosca, Giacomo Puccini." A world premiere conducted by Daniel Oren and directed by John Cox with lead roles by Riccardo Erté, Donald Adams and Eric Garrett and Luis Lina.

CANADA

Toronto Art Gallery of Ontario (Tel: 977.0414). To Aug. 1: "Master Prints from the Museum's Private Collection." Featuring more than 100 prints realized between the 15th and 20th centuries. Included are works by Dürer, Rembrandt, Gauguin and Picasso.

THE CZECH REPUBLIC

Prague National Gallery (tel: 530.895). To June 13: "Bohemian Heaven." Devotional graphics, prints and tablets with representations of the Bohemian patron saints and landscapes of pilgrimage sites, examine influences affecting the country after the Thirty Years War.

HUNGARY

Budapest Museum of Modern Art (tel: 472.71.19). To Aug. 29: "George Baselitz: 1990-1993." Recent paintings, sculptures, drawings and graphic works.

FRANCE

Paris Musée Carnavalet (tel: 42.72.21.13). To July 14: "Icones: Collection Privée du Liban." Byzantine, Greek, Melchite, Russian and the Romanian icons dating from the beginning of the 14th century to the end of the 18th.



Spoleto violinists in Charleston, South Carolina.

d'Australie." Australian aboriginal paintings featuring some 80 works by artists such as Urukula, Malanga and Djupurak, as well as works by Karel Kukař on the theme.

Opéra Comique (tel: 42.88.88.83). June 24, 26, 30: "Roméo et Juliette." William Shakespeare's tale of romance and adventure directed by Michel Plasson, featuring the Orchestre du Capitole de Toulouse with lead roles by Roberto Alagna, Nuccia Fregola, Andrew Schofield, Umberto Chiariello and Michel Tremont.

GERMANY

Berlin Martin-Gropius Bau (tel: 324.5078). To July 25: "American Art in the 20th Century." Two hundred artists assess the achievements of 20th-century American art from a European viewpoint.

Bonn Kunst und Ausstellungshalle der Bundesrepublik Deutschland (tel: 917.1200). May 28 to Oct. 10: "The Desert to See." An exhibition of panorama that explores new worlds of perception, including photographs, installations and projections.

ISRAEL

Jerusalem The Israel Museum (tel: 708.8111). To July 15: "Lidia Zavadsky: Primarily Jews." Large vessels, somewhat like archaic clay storage containers that have recently undergone reconstruction and restoration.

ITALY

Bologna Museo Comunale d'Arte Moderna (tel: 502.859). To Aug. 31: "Due

RUSSIA

Moscow The Pushkin Museum (tel: 655.208578). To June 27: "The George Otr Collection." Some 280 masterpieces spanning 30 cultures from the Neolithic age to the late Byzantine period.

SINGAPORE

National Museum (tel: 270.7988). To July 18: "Tressures of Asian Art." A selection of 64 masterpieces, including a series of Buddhist sculptures from different parts of Asia from the John D. Rockefeller 3d collection in New York.

SWITZERLAND

Geneva Grand Théâtre (tel: 311.2311). June 13, 16, 19, 22, 25, 28, 30: "Les Noces de Figaro." Conducted by Arin Jordan, directed by Nicholas Hoggins and featuring William Shimell as Count Almaviva, Renée Fleming as the Countess and Ferruccio Furlanetto as Figaro.

UNITED STATES

Charleston Spoleto Festival U.S.A. (Tel: 255.4658). May 28 to June 13: A grand festival with the flavor of the Spoleto festival, featuring more than 100 performances by 20th-century masters of music, dance, theater and art. Includes performances and exhibitions with Gian Carlo Menotti, Martha Graham, John Cage and Gustav Klimt.

Houston Museum of Fine Arts (tel: 713.528.1391). To June 27: "Imperial Austria: Treasures of Art, Arms and Armor from the State of Styria." Some 300 works chronicle the history of Austrian culture through art, arms and armor.

New York Lincoln Center (tel: 307.4100). To June 27: "Balanchine Celebration." The New York City Ballet will be presenting a series of Balanchine choreographies including "A Midsummer Night's Dream," "Harlequinade," "Rhapsody" and "Squares Dance."

San Francisco The Fine Arts Museum (tel: 863.3330). To Oct. 31: "Teotihuacan: City of the Gods." More than 200 stone figures and masks, terracotta carvings, figurines, vessels and murals explore Mexico's first urban state (150 B.C.-750 A.D.).

Washington National Museum of American History (tel: 367.3129). To July 15: "Manufactured Weather." An exhibit tracing the development of heating and cooling technologies in the United States between 1850 and 1950.

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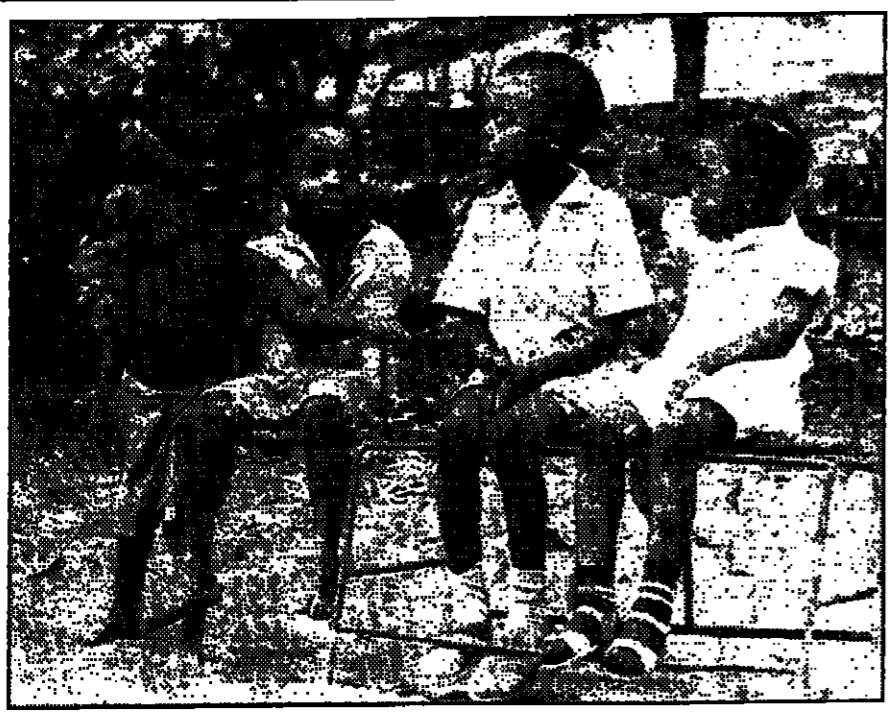
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The presidential elections due to be held in Nigeria on June 12 should bring to an end a period of military rule that has overstayed its welcome.

As the soldiers head back to the barracks, Nigeria's politicians and business leaders are gearing up to pursue parallel debates, one on the country's political evolution and the other on the most desirable economic policies for a country whose substantial oil wealth has repeatedly failed to bring meaningful development.

After nearly eight years of the personal rule of General Ibrahim Babangida, Nigeria is impatient for change. While no one pretends that the new democratic system being introduced will of itself bring peace and prosperity to a country of such enormous diversity, there is at least a prospect that a civilian administration will be more accountable than the military in managing the economy.

Although General Babangida began to implement a structural adjustment program (SAP) as long ago as 1986, the military's commitment to the program had begun to waver by 1990, jeopardizing the international support that the SAP had attracted.

New reports of lax financial discipline, especially after the government failed to account for an estimated \$2.5 billion "oil windfall" at the time of the Gulf War, did not help the government's reputation. The perceived lack of financial accountability has inevitably hampered the government's efforts to win a rescheduling of debts from the country's foreign creditors.

and determination with which Mr. Shonekan spelled out his priorities in his hastily drafted "budget of hope" for 1993. They are now waiting for proof that he can turn his promises into action over the next three months before the military finally retires from office.

The challenge is daunting. With inflation reaching around 50 percent last year, and rising to annualized rates nearer 100 percent this year, the economy is still absorbing the effects of massive extra-budgetary expenditure in the second half of 1992.

Budget caused hopes to rise

Mr. Shonekan's hopes of removing expensive fuel subsidies and stabilizing the shaky national currency are still being undermined by the effects of government indiscipline in previous years.

Outspoken press commentators in Lagos are doubtful about the ability of Mr. Shonekan and his colleagues in the Transitional Council to stop the economic decline in the time available. "The downward pull on the economy has achieved a trend and velocity which will be hard to reverse without stepping on toes, i.e., sending some real, not imagined, economic saboteurs to Kiri-kiri [the maximum security prison in Lagos]," says Dele Sabowale of the Lagos Punch. He goes on to doubt whether the Transitional Council has the power to take such steps.

Business leaders in Nigeria give Mr. Shonekan more credit. "It is understandable that the government needs huge resources to finance the diversity of programs that it is committed to, namely the transition to civil rule, external



Chief Ernest Shonekan, chairman of the Transitional Council.

debt repayment, moving to Abuja (the new capital city), requirements of additional states and local governments, etc.," says Alhaji M.I. Atta, chairman of First Bank of Nigeria, the largest bank in the country. "However, unless the huge deficits are reduced by a combination of expenditure control and increased revenue generation, it would be difficult to put the economy back on the right path. The Transitional Council is seriously addressing this problem."

The immediate priorities for Mr. Shonekan's team are to try to reduce a budget deficit that amounted to at least \$2 billion naira (\$2.3 billion) in 1993; to curb unrecorded extra-budgetary expenditure approved by senior regime members; to start the removal of fuel subsidies (which keep Nigerian fuel the cheapest in the world but cost the government at least \$2 billion a year); and to restore some stability to the national currency.

Support for Mr. Shonekan's efforts may come from the incoming presidential candidate, whoever wins the election in June. The politicians have a vested interest in seeing that the most unpopular measures — especially the lifting of fuel subsidies — can be taken before they assume power. But whether the outgoing military will allow the Transitional Council to take the risk of provoking civil unrest with such an unpopular measure in the dying days of its administration still remains to be seen.

Richard Sygne

Transition Leader Paves the Way

Chief Ernest Shonekan, the head of government and chairman of the Transitional Council, answers questions on the country's economic development and recent reform measures.

Your administration has a short term within which to accomplish its economic agenda. Are you confident that you will have set the economy on a new growth path by the time of the handover in August?

Our tenure is a very short one. Eight months would certainly not be enough for major transformations, especially in our circumstances. It is for this reason that we made strenuous efforts to define our mission immediately after the swearing-in ceremony in January. We have tried to be properly focused in our approach so as not to fritter away this rare opportunity to make a positive contribution to our country's development.

The central thrust of our policy has been to implement necessary reforms that will put the economy on a firm foundation for sustained future growth

The indications so far are that we will be able to meet our target at the end of our tenure

and development. With due modesty, I would say I am very positive about the growth prospects of these reform measures. However, as you are probably aware, economic reforms are a never-ending process.

The agenda spelled out in the 1993 budget raised some problematic issues, notably control of the federal budget deficit, liberalizing the foreign-exchange market and lifting fuel subsidies. It has been observed that you have not been able to move as fast as you intended in these areas. Do you anticipate further progress in the near future?

We have made some progress in some of the areas you mentioned. The problem, however, is that it takes time for the impact of reform measures to be fully manifested in the economy. The general framework of government policies in these areas — reducing the deficit, liberalizing the foreign-exchange market and lifting subsidies on fuel — is already in place. The problems we have had in fully addressing them are not unexpected, and we remain fully determined in our resolve to move ahead. In the case of the fiscal deficit, our objective has been to reduce it to under 10 percent of GDP from around 12 percent at the end of the 1992 fiscal year. The major problem has been our debt-servicing obligation, which continues to consume a huge chunk of government revenue.

Nonetheless, the indications so far are that we will be able to meet our target at the end of our tenure. With respect to the issue of lifting the subsidies on fuel, its desirability is not at all in doubt. However, the appropriate decision will be taken in due course. So strictly speaking, the difficulties we have faced in implementing the agenda we set for ourselves in the 1993 budget are not unusual, and I want to assure you that we will continue to maintain the momentum of reforms that

we have already established during the remaining months of our tenure. Nigeria clearly faces difficult negotiations with its official creditors in the Paris Club. What was achieved during your recent visit to Paris?

I would not say that the negotiations with our official creditors have been too difficult. Indeed, from my discussions with the officials of the Paris Club, it became clear to me that there is a willingness on the part of our creditors to favorably consider Nigeria for generous relief.

I believe our sovereign creditors fully appreciate the enormity of our debt problem and the difficulties we face at home in implementing our program and policies as well as the imperative of granting us the needed relief. However, there are still some outstanding areas that our creditors expect us to address before they can make further moves in the desired direction.

Is it now time for Nigeria to accept a loan, on soft terms, from the IMF, as part of an effort to restore fiscal and payments balance?

In the past, we have had stand-by facilities with the IMF but we did not draw from these facilities. Although we are quite interested in reaching a medium-term agreement with the fund, this may not necessarily imply accepting a loan from the IMF.

The investment climate in Nigeria has been considered poor for some years now. In what ways can there be improvements both to the country's international image and to the fiscal and financial environment here?

I agree with you that for one reason or another, the investment climate in Nigeria has been considered poor for some time. This is, however, not on account of lack of government initiatives to redress the situation. I believe it has more to do with the economic decline of recent years.

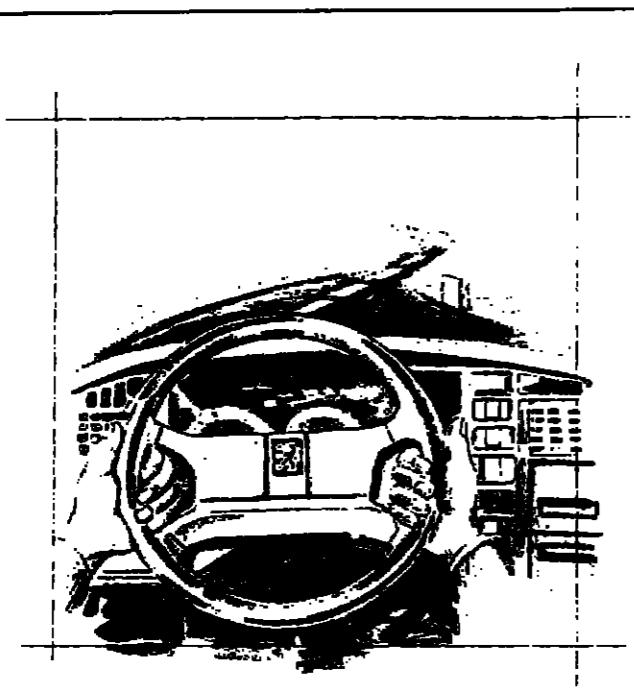
Already, we have introduced a number of reforms designed to make our investment climate attractive to both local and foreign investors. Similarly, part of the objectives of the recent Nigerian Economic Summit is to put in place fundamental reforms that will encourage investors. The government has already committed itself to this, and the signals we are getting so far indicate that hope is gradually being rekindled in our economy.

I have no doubt in my mind that if the incoming government can sustain the reform efforts of recent years, our investment climate will be more attractive in the not-too-distant future.

The question of improving the international image of our country is the collective responsibility of all Nigerians and our foreign friends. I would like to assure you, however, that we have a responsible government and citizenry in Nigeria. The international media have a role to play in educating the world on the largely positive side of the vast majority of Nigerians.

Interview by Richard Sygne

This advertising section was produced in its entirety by the supplements division of the International Herald Tribune's advertising department. © Richard Sygne is a London-based journalist who specializes in Africa. © Paul Adams is a free-lance journalist based in Lagos.



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The Nigerian Security Printing and Minting Company Limited NSPMC

30 Years as Africa's Foremost Security Printers

Historical Background

The Nigerian Security Printing and Minting Company Limited (NSPMC) popularly known as "THE MINT" was established in 1963, by the Federal Government of Nigeria with the assistance of Thomas Dale Roe of United Kingdom. The company was the first of its kind to be established in Black Africa.

Objectives of the Company

The primary objective of the Company is to "supply to government and its agencies, and to the (Central Bank of Nigeria) all security printed materials including (but not limited to) bank notes, coins, postage stamps, postal and money orders . . . and other security printing requirements".

Management and Organization

The mint has over 2,000 staff, comprised of highly qualified professionals and skilled workers, for all Nigerians. The day to day affairs of the company is managed by an 11 man team.

Products and Services

The Printing of banknotes and coins account for 70% of the company's business. The output of this line which was less than 2 million notes per week in 1963 has currently reached a level of over 25 million notes per week.

Security documents

Security documents account for about 28% of the total output of the unit. Under this section are bank cheques and drafts, postage stamps, postal orders, treasury bills, passports and examination papers. Other products are certificates, licenses, custom/fumigation documents and other sensitive security documents.

Other Products/Services

A unit called Advance Security and Technology Services procures specially manufactured security goods like closed-circuit television systems (CCTV), Chip seals, Note and Coin counting machines and armoured security vehicles to supply to its customers.

Where it is economically feasible to manufacture these goods, NSPMC LTD, embarks on such projects as in the case of chip seals which were once imported, but are now manufactured by NSPMC. Some of these goods like Ultra-Violet lamps are imported while others are supplied by Nigerian manufacturers as in-

- Metal date stamp
- Giant size Embossing seal
- Pocket size Embossing seal
- Table size Embossing seal
- Rubber Stamps.

The ASTS also offers colour separation using advanced technology.

African Banknotes and Security Documents Printers Association

As the foremost security printing outfit in Black Africa, the NSPMC LTD, initiated and recently hosted the African Banknotes and Security Documents Printers Association Conference which was attended by representatives of Algeria, Egypt, Morocco, Zaire, Zimbabwe and Nigeria. The Managing Director of the NSPMC LTD, Mallam Murtala Bello, is currently the first president of the Association.

Commercialisation

The Mint has always been a commercial outfit and does not receive any subsidies from the government. It pays substantial tax to the government and reasonable dividends to its shareholders.

Plans for the Future

As part of its backward integration policy for sourcing raw materials locally, the NSPMC LTD, has embarked on the establishment of companies with selected technical partners for the production of security inks and papers in Nigeria.

Abuja Project

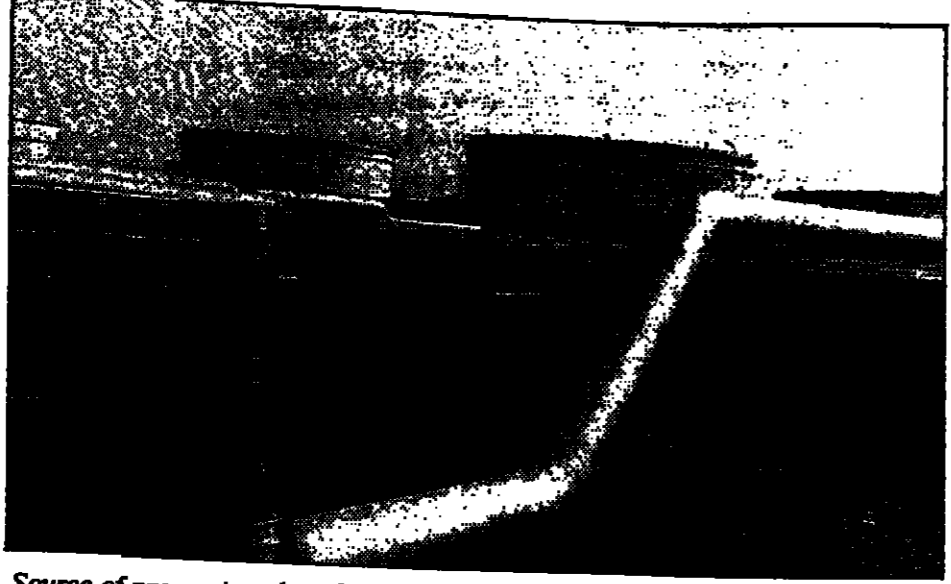
Plans are underway for the company to move its head office/factory to the New Federal Capital, Abuja. The Ultra-modern factory complex comparable to any in the world is to have capacity for 15 production lines with associated equipment, storage and yards for banknotes, coins and security documents printing. It is hoped that on completion of the factory complex in Abuja, parallel operations will run concurrently in Lagos and Abuja.

For further enquiries contact:

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Oil Promises Further Growth

Oil remains the only major source of foreign earnings in Nigeria, accounting for over 90 percent of visible exports, despite a structural adjustment program that set out in 1986 to boost exports in other sectors.

The program has liberalized producer prices, but exports of agricultural commodities and processed foods have not reached their potential. Although smuggling thrives, official exports of manufactured goods to the rest of West Africa remain low because of regional trade barriers and poor transport links.

The energy sector will remain the driving force of Nigeria's economy well into the next century and the main prospect for export growth. According to a 1993 budget projection, oil exports this year will be \$11.5 billion, based on an average oil price of \$17.5 a barrel, which is lower than actual prices for the first five months of the year.

The country's oil reserves are about 60 percent of the total in sub-Saharan Africa, yet many of Nigeria's hydrocarbon resources are untapped, and some are wasted. A new ministerial team is trying to move the sector forward, before the handover to elected civilian government in August, into deep offshore oil exploration and natural gas utilization,

including the production of liquefied natural gas.

New exploration, mainly in deep water, will begin this year and should increase proven recoverable oil reserves by 25 percent, to 25 billion barrels, within the next three years. Oil Minister Philip Asiodu is confident that higher reserves will lead to an increase in Nigeria's oil production quota agreed with OPEC. The current quota is 1.8 million barrels a day, subject to review in June.

Currency change aided exports

increase in Nigeria's oil production quota agreed with OPEC. The current quota is 1.8 million barrels a day, subject to review in June.

Nigeria's gas reserves are even greater than its oil reserves, yet it flares about 260,000 barrels a day of gas associated with oil production wells. Joint ventures between the Nigerian National Petroleum Corporation and Chevron of the United States and Agip of Italy have begun to produce natural gas, which previously had been wasted.

Manufactured goods from Nigeria, including household products, textiles and food, are in demand throughout West Africa. But road and rail links are inadequate for bulk industrial transport, and it costs more to ship freight from Nigeria to Ghana than it does to Europe. The Economic Community of West African States (ECOWAS) has failed to lift the tariff restrictions that have hampered most of the country's leading companies.

Industrial exports may grow, but the most important sector after oil is agricultural commodities. Cocoa beans are the main non-oil export, worth about \$90 million at today's depressed prices, from production of 130,000 tons. Nigeria is the sixth-largest cocoa producer in the world, and the largest producer of rubber, the third most valuable export, with palm kernels and cashew nuts coming fourth and fifth.

The meager contribution of a potentially wealthy agricultural sector has left the hopes of an improved balance of payments resting with the energy sector, where the scope for growth remains.

Paul Adams

New Investment Incentives Proposed

The appointment of a leading industrialist, Chief Ernest Shonekan, to head an interim government in January and the holding of a national economic conference in Abuja the following month have focused government attention on the investment climate.

For all the good intentions of Mr. Shonekan's Transitional Council, there has been little response to the policy changes recommended by the investors and businesspeople who were invited to debate the issues with ministers in Abuja.

The uncertainties about the scheduled transition to democracy, the instability of the foreign-exchange market and the failure of the government to phase out the subsidy on fuel prices have further weakened business confidence. "Wait and see" will be the attitude of most investors in 1993.

Nigeria has sub-Saharan Africa's richest energy reserves and good agricultural potential. With a GDP of around \$30 billion, it is a big market that is still growing. It has the second-largest private sector in sub-Saharan Africa after South Africa and a substantial range of multinational investors in oil, vehicles, consumer goods, textiles and pharmaceuticals.

But indifferent tax incentives for capital investment, inflation running at over 50 percent and two sharp depreciations of the naira in the past year have channeled most local investment into sectors with high rates of return, such as trade, finance and construction. Foreign capital is the main source of investment in manufacturing, but the weakness of the naira and a lag in remittance of dividends abroad reduce the hard-currency earnings of Nigerian companies.


New incentives for investment in oil and gas downstream sectors will permit for the first time 100 percent foreign ownership of a refinery or petrochemicals plant. The package includes security of tenure of investments, guaranteed export earnings and offshore escrow accounts.

In the non-oil sectors, the Nigerian Enterprises Promotion Decree requiring a minimum 60 percent

Focusing attention on ownership rules

local ownership of all Nigerian companies remains the main deterrent to foreign capital injection. Outside banking, insurance and mineral and petroleum resources sectors, new companies in Nigeria are not subject to this rule, but many of the big multinationals already have affiliates in Nigeria in which they cannot gain a majority stake, and they are unwilling to invest more unless they can gain overall control.

Investors who attended a recent Abuja conference on the Nigerian economy proposed a wide range of investment incentives, including a cut in corporation tax to 25 percent, improved land tenure, better policing, an open market for government debt and less bureaucracy. The outgoing regime has not implemented these changes, but the civilian president scheduled to take office in August will have a blueprint for action at his disposal if he chooses to read it.



(ESTABLISHED BY DECREE 10 OF 1987)

UNDERSTANDING NIGERIA'S SHIPPING POLICY

The Maritime Industry in Nigeria is no doubt the second largest and very important sector in the nation's economy, second only to the oil market. Over the years, this sector of Nigeria's economy has suffered neglect, abuse and almost total exploitation. In order, therefore, to check the situation, Nigeria's government, led by President, Abdulsalam Abacha, promulgated the National Shipping Policy Decree 10 of 1987, establishing the National Maritime Authority (NMA). This singular act is considered as one of the key achievements of the Abacha administration.

In a nutshell, the essence of the National Shipping Policy are as follows:

- To ensure an effective participation by Nigerian National Carriers in the lifting of cargoes generated by the Nation's economy having regard to the country's carrying right of 40 percent of the liner traffic and 50 percent in the case of all other traffic.
- Using the Policy as a means of promoting economic integration of the West African sub-region.
- Use the Policy as an instrument of promoting economic integration of the West African sub-region.
- Use the policy as an instrument of promoting the export trade of Nigeria and thereby accelerating the economic growth of the country.

The core object of the Policy, therefore, is to harness Nigeria's Maritime resources and consequently boost the country's economic base and as such improve the welfare of the citizenry.

Therefore, as the apex regulatory authority in the Maritime Industry in Nigeria, the National Maritime Authority functions as follows:

- Co-ordinating the implementation of the National Policy on Shipping.
- Ensuring that Nigerian National Carriers exercise fully Nigeria's carrying rights at least 40 percent of the freight in revenue and volume of the total trade to and from Nigeria.
- Granting national carrier status to indigenous shipping firms.
- Monitoring the activities of vessels of the companies granted National Carrier status.
- Granting assistance to indigenous companies for fleet expansion and ship ownership.
- Regulating liner conferences and national carriers etc.

Since its establishment barely six (6) years ago, the National Maritime Authority has been able to make giant strides. For one thing, the National Maritime Authority has in the past six years been able to chart a new course, introduce some good degree of control and a source of hope for serious-minded Nigerian Shipping Companies.

The Authority, also, has been able to confer, on some serious-minded indigenous companies, the National Carrier status. The companies are:

- The Nigerian National Shipping Line
- The African Ocean Line
- The Nigerian Green Line
- Brewal Shipping Line
- Bulkship and Nigerbuss.

NMA has been able to establish Port Offices in all the major sea-ports in the country for the purpose of effective monitoring of Vessels and Cargoes.

Through various activities of NMA, there is now stiffer levy collection mechanism from the gross freight thereby earning for the country the much desired forex.

The Authority now has firmer control of the shipping business in the country because of improved communication gadgets, necessary office infrastructure, experience, staff, membership of key international shipping bodies such as IMO, Lloyd's Register etc.

In keeping with Section 13 of the Policy, NMA is proposing the establishment of a Maritime Bank. Plans are now at advanced stages towards the establishment of the Bank at the shortest possible time. The essence of the Bank is to facilitate indigenous vessels ownership by making available funds for that purpose.

NMA is also spearheading the training of graduates from the nation's Maritime Academy, who will eventually man the Nigerian Flag Ships.

NMA, through the Shipping Policy, has made regional and continental gains in the area of harmonisation of shipping interests and policies in Africa.


Nigeria is now playing a leading role in the ministerial conference of West and Central African States in the area of harmonisation of shipping policies in the region. Nigeria is also making significant impact on the continental level. However, the reality of the times especially as it affects shipping, have made it very necessary for Nigeria to now update the Shipping Policy having successfully put in place internationally recognised laws for her Maritime Industry.

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Thursday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

12 Month	High	Low	Open	Close	Low	High	Open	Close	Low	High	Open	Close
<i>[Extremely dense financial data table with multiple columns of stock prices and market indicators]</i>												

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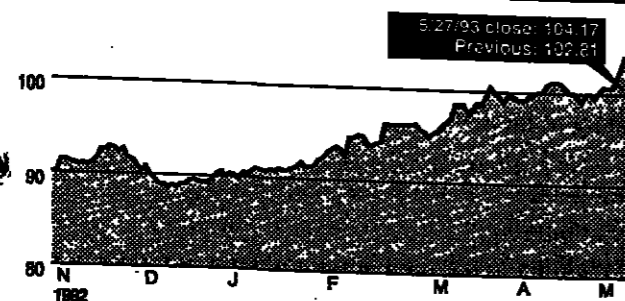
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BUSINESS

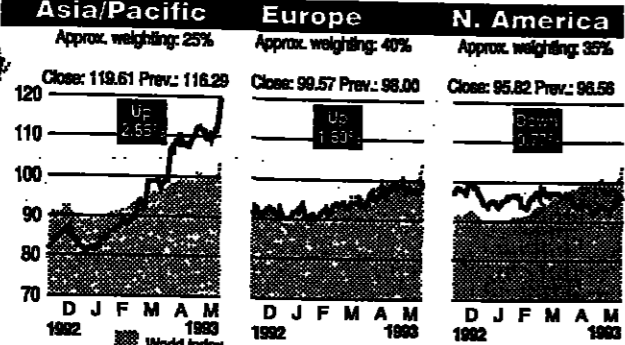
International Herald Tribune, Friday, May 28, 1993

THE TRIB INDEX 104.17

International Herald Tribune World Stock Index of 230 internationally investable stocks from 20 countries, compiled by Bloomberg Business News, Jan. 1, 1992 = 100.



The index tracks U.S. dollar values of stocks in Tokyo, New York, London, and Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Italy, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden and Switzerland. In the case of Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization. In the remaining 17 countries, the ten top stocks are tracked.



Industrial Sectors	The Close	Prev. Close	% Change
Energy	102.80	101.85	+0.95
Utilities	111.50	109.91	+1.45
Finance	109.83	106.10	+3.52
Services	114.10	114.29	-0.17
Capital Goods	102.25	101.11	+1.13
Raw Materials	104.85	103.43	+1.37
Consumer Goods	89.72	89.18	+0.54
Miscellaneous	105.63	104.52	+1.06

For readers desiring more information about the International Herald Tribune World Stock Index, please write to: Trib Index, 181 Avenue Charles de Gaulle, 92821 Neuilly Cedex, France.

Bonn Sets Record Deficit

Bonn — Finance Minister Theo Waigel said Thursday that Germany was undergoing its worst postwar economic crisis and warned Germans to stop expecting ever-increasing prosperity.

Speaking before parliament approved a supplementary budget that will push the 1993 federal deficit to a record 67.57 billion Deutsche marks (\$42 billion), Mr. Waigel said elections in 1994 would not stop him imposing stiff public-spending cuts that would also fall on welfare benefits.

The planned move of the German government and parliament to Berlin from Bonn, supposed to be completed by 2003, would have to be reviewed, he said.

"At the moment we are experiencing the sharpest economic crisis since the Federal Republic of Germany came into existence," Mr. Waigel said. "Whether real gross national product declines by 1.5 percent, 2 percent or even more is not the decisive thing. The decisive thing is rather that all plans and expectations for constantly increasing prosperity must be revised."

The Bundestag, the lower house, approved a supplementary budget of 22.54 billion DM. Total federal government expenditure in 1993 will be a record 458.14 billion DM, an increase of 7.3 percent over 1992.

Separately, the secretary of state for economics, Johann Eckhoff, said gross domestic product had fallen 1.5 percent in the first quarter, compared with the last quarter of 1992.

Speaking at the Financial Planning Council of the Finance Ministry, Mr. Eckhoff said first-quarter GDP was apparently off by 3 percent from the 1992 first quarter.

Cultivated Environment French Farmer Pushes Green Methods

By Barry James
International Herald Tribune

SAINT BRIEUC, France — André Pochon is a rarity among his grumbling and occasionally riotous colleagues — he says the European Community's new agricultural policy is good for small farmers like himself and good for the land.

For the past decade, Mr. Pochon and about 50 like-minded farmers in Brittany have been preaching in the wilderness that intensive production was harming the environment and could not be sustained forever.

Their arguments fell on stony ground so long as farmers got a subsidized price for everything they produced, whether there was a market for it or not.

But the European Community last year changed the way it rewards farmers, abolishing production subsidies for cereals and other products and replacing them with direct payments to farmers linked to the area of their land and agist production. Now that the Community is trying to curb the overproduction that for years has been pushing the costs of its Common Agricultural Policy through the roof, the position of Mr. Pochon and his colleagues makes more sense.

They argue that they have successfully managed to create a comfortable but not lavish way of life by respecting traditional farming techniques and avoiding large inputs of fertilizer and pesticides. They have formed an association called the Center for the Study of a More Autonomous Agriculture, known as Cedepe, to promote their views.

losses either and the farmers are not in any immediate difficulty. They have a much greater ability to absorb the crisis.

While French farmers were burning barricades of tires, blocking roads and smashing foreign trucks to protest the changes in the CAP last year, Mr. Pochon was working out the sums. He found that small and medium farmers are likely to do well out of the EC's agricultural reform, and will benefit directly as the per-hectare payments increase.

In contrast, farmers accustomed for years to increasing their income by using intensive methods — "putting on the sauce," as Mr. Pochon described it, with heavy applications of chemical fertilizers, pesticides, fungicides and other products — have seen their incomes fall. This is especially hurting when they have taken out bank loans to fund their expansion.

"Producing for the EC stockpile has become a habit," Mr. Pochon said. "And farmers consider they have a right to produce. This is a real pollution of the mind."

He said the EC reform "is good because it opens the way to a European agriculture which is autonomous, economic and clean, with numerous and prosperous farmers who will become the basis of living rural communities."

EC Commission officials in Brussels said they agreed with Mr. Pochon's assessment, but acknowledged that this thinking had not percolated down to most French farmers.

Mr. Pochon even supports efforts to reach a GATT accord with the United States. He says this also will reduce the intensive production that he says "enriches the father but impoverishes the son" because of the damage it does to the soil and the environment.

Mr. Pochon said intensive cultivation draws all the nourishment out of the soil, turning it into a neutral base to which huge quantities of fertilizer

Yen Goes Higher Despite Fed's Intervention

Compiled by Our Staff From Dispatches

NEW YORK — The dollar plummeted to a new postwar low against the yen Thursday as dollar purchases by the Federal Reserve and a statement by a senior U.S. Treasury official that the dollar had fallen "too far, too fast" failed to stem its slide.

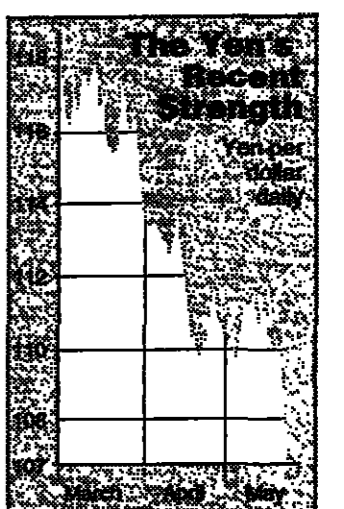
The dollar finished at 107.15 yen, down from 108.45 yen on Wednesday, after falling to 107.12 earlier in the afternoon. The dollar also fell more than 2 percent against the Deutsche mark.

Since Tuesday, the dollar has fallen more than 3 yen. The decline began when the Treasury released a report saying a strong yen could help curb Japan's trade surplus by making the country's exports more expensive. Traders said the sell-off could continue.

"Once you get the market rolling, it's hard to stop it," said Jerry Egan, managing director of foreign exchange at MTB Bank. The U.S. administration's occasional calls for a stronger yen have helped drive the dollar down 14 percent against the Japanese currency so far this year.

A series of dollar purchases by the Federal Reserve Bank of New York failed to reverse the currency's decline, traders said. The first purchase sent the dollar higher, only to be met with a wave of sales. "Traders used the rallies to sell dollars at higher levels," said Lizbeth Goldberg, assistant vice president at Bayerische Hypothek- & Wechselbank.

The dollar staged a brief comeback late in the day after the Treasury undersecretary for international affairs, Lawrence E. Summers, said "the market has moved too far, too fast," referring to the dollar's recent slide against the yen.



The dollar soon gave up those gains, and is likely to continue tumbling as long as Japan's trade surplus with the U.S. grows, traders said. "The dollar is on the defensive until we get some progress on the trade issue," said Lisa Finstrom, currency analyst at Shearson Lehman Brothers.

Amy Smith, an analyst at the IDEA consulting firm, predicted there would be more administration yen-boosting after trade talks with Japan that are coming up.

"The administration seems to be hoping to get concessions in the trade talks with Japan, partially in return for its attempts to be seen to be trying to curb the yen's rise," she said. "But as soon as the talks are over, administration officials will let loose on the yen once more, and the Fed will step aside," she predicted.

Still, Ms. Smith said that for the dollar's recent slide against the yen.

See YEN, Page 14

WALL STREET WATCH Small Stocks' New Highs Could Mean Broader Rally

By Tom Petruo
Los Angeles Times Service

NEW YORK — Small stocks, the market's undisputed leaders in 1991 and 1992, are again trying to assert themselves. Whether they can rise to new highs in coming weeks may tell a lot about the bull market's longevity.

The Nasdaq composite index of about 4,000 stocks closed at 704.09 Thursday, a rise of 6.4 percent since the end of April. That was well above the 3.6 percent increase registered by the Dow Jones industrial average in the same period, despite the Dow's surge into record territory last week.

Some small-stock professionals say that a new high on the Nasdaq market now could reenergize the broader market, just as Nasdaq rallies did in 1991 and 1992.

James Crabbe is one of many fund managers looking to buy smaller stocks. His Crabbe Huson Special stock fund, based in Portland, Oregon, has \$13 million in assets, of which nearly 17 percent now is in cash — more than three times the usual cash level for typical stock funds, and twice the level of a year ago for even the more aggressive ones — thanks to recent infusions from institutional clients.

Mr. Crabbe looks for out-of-favor small stocks, and he admits that it is not easy to find bargains these days, either on Nasdaq or on the New York Stock Exchange, which also has some smaller issues. Two of his favorites are the retailer U.S. Shoe and the hospital giant National Medical Enterprises.

He still thinks the bull market is alive and well. Wall Street's nervous fixation on rising interest rates is missing the point, he says. "Those are symptoms of a stronger economy."

Ron Baron, who manages the \$50 million Baron Asset stock fund in New York, also is a bull on smaller stocks. His fund has up about 10 percent for the year to mid-May, and he says, "We're still finding plenty of stocks to buy." He adds, "Our problem is we don't have enough money to buy everything we want to own."

He cites Delta Queen Steamboat, a New Orleans-based company that operates boat tours on the Mississippi River. These are not gambling ships, he says. Rather, the tours are aimed at retirees who want to relive the history of the Mississippi.

Like Mr. Crabbe, he admits that most stocks do not look all that cheap. So he tries to be opportunistic, watching for any break in the market that lets him buy his favorite stocks at better prices. "It's not an easy thing to buy when everybody else is selling, but that's what you have to do," Mr. Baron says.

CURRENCY & INTEREST RATES

Cross Rates		Eurocurrency Deposits	
DM/\$	1.4850	3-month	3 1/4%
Yen/\$	107.15	6-month	3 1/2%
£/\$	1.6150	1-year	3 3/4%
Swfr/\$	1.4850	3-month	3 1/4%
HK/\$	7.7500	6-month	3 1/2%
S\$/\$	1.3500	1-year	3 3/4%
NZ/\$	1.3500	3-month	3 1/4%
A\$/\$	1.3500	6-month	3 1/2%
Indonesian	1600	1-year	3 3/4%
Philippine	1800	3-month	3 1/4%
Singapore	1.3500	6-month	3 1/2%
Thai	20.00	1-year	3 3/4%
Turkish	1000	3-month	3 1/4%
Vietnam	2000	6-month	3 1/2%
Other Dollar Values		1-year	3 3/4%
Canada	1.3500	3-month	3 1/4%
France	166.67	6-month	3 1/2%
Germany	1.4850	1-year	3 3/4%
Italy	1936.27	3-month	3 1/4%
Japan	107.15	6-month	3 1/2%
Spain	166.67	1-year	3 3/4%
Switzerland	1.4850	3-month	3 1/4%
UK	1.6150	6-month	3 1/2%
US	1.0000	1-year	3 3/4%

Grumman, JAL Unit Talk Trains

By Andrew Pollack
New York Times Service

TOKYO — Grumman Corp. and a company affiliated with Japan Air Lines are discussing a cooperative venture that could pave the way for Japanese maglev high-speed trains to be introduced into the United States, the companies said Thursday.

While talks are still in early stages, one idea being discussed is that Grumman and the Japanese company, HST Development Corp., exchange their respective technologies for such trains, which float above the tracks like a surfer riding a magnetic wave.

In addition, HST executives said, Grumman might build trains using HST technology in the United States and the two companies would cooperate on bidding for projects. One of the first such bids would link Kennedy International and La Guardia airports in New York.

Foreign companies are discussing several high-tech train projects in the United States. In Texas, the High Speed Rail Authority has awarded a franchise for a French TGV line and in January a tilt train, known as the X-2000, made by ABB Asea Brown Boveri, the Swiss-Swedish engineering concern, made demonstration runs on the Washington-New York route.

Magnetically levitated trains go much faster, in some cases up to 500 miles per hour (800 kilometers per hour), and a smooth and quiet ride.

Time Is Seagram's Media Play

Compiled by Our Staff From Dispatches

NEW YORK — Seagram Co. said there was an easy explanation for its decision, announced late Wednesday, to lay out just over \$700 million for a 5.7 percent stake in Time Warner Inc., a move that surprised and puzzled analysts.

Edgar M. Bronfman, chairman of the Montreal-based concern that sells liquor, wine and orange juice around the world, said Seagram considered the media and entertainment business "one of the great growth sectors of the 1990s and beyond" and Time Warner "the best-positioned company to benefit" from growth in the field.

Seagram characterized its investment in Time Warner as a friendly one, adding that it might increase its stake to as much as 15 percent; Time Warner said it welcomed its new shareholder.

Seagram disclosed its acquisition after the New York Stock Exchange closed Wednesday. Time Warner's shares gained 22.25 Wednesday to a 52-week high of \$39, with \$1 of the gain coming in late trading in Toronto, but settled back to \$37.25 by Thursday's close. Seagram, meanwhile, was off 75 cents to \$29.375.

Even at the lower Thursday price, Seagram's 21.1 million Time Warner shares, purchased over several months for an average of \$33.24 a share, would be worth around \$785 million, giving Seagram an indicated profit of about \$85 million.

The investment surprised many analysts because

there were no readily apparent strategic links between the two companies' businesses.

Time Warner owns Time, People and Sports Illustrated magazines, the Warner Brothers movie studio, the second-largest cable-TV company in the United States and the cable-programming company Home Box Office, as well as music and book-publishing operations.

Seagram had been rumored to be seeking acquisitions, but analysts figured they would be in the food and beverage business. And there had been rumors that someone was buying Time Warner shares — but Seagram had not been mentioned as a possible buyer.

The Bronfman family owns 37.2 percent of Seagram and is its largest shareholder. The Seagram investment makes it the second-largest shareholder in Time Warner; the largest is Gordon Crawford's Capital Group, which owns 11 percent.

The investment-banking firm Allen & Co. represented Seagram in buying Time Warner's shares. The announcement came only days after Time Warner's agreement to sell a 25.5 percent stake in its cable-television and movie-making operations for \$2.5 billion to US West, a regional telephone company based in Denver.

That deal had been heralded as putting Time Warner in the forefront of the telecommunications revolution that is reshaping the way American consumers obtain information, entertain themselves and communicate with others.

(NYT, AP, Reuters)

Tokyo's Anger at U.S. Bubbles as Yen Rises

By Steven Brull
International Herald Tribune

TOKYO — Fearful that Washington is supporting a higher yen as a battering ram on trade, Japan on Thursday ratcheted up its criticism of the administration of President Bill Clinton.

Japanese officials are concerned that such a policy will undermine an economic recovery here later this year.

For months, as the rising yen has tightened the screws on corporate Japan, officials have privately offered scathing attacks of the U.S. administration's so-called strategy of first talking up the yen, then denying it wanted to see further yen appreciation.

On Thursday, as the yen surged to a postwar Tokyo record of 107.15 to the dollar, the Japanese government's anger came out into the open.

"There are too many comments by U.S. government officials, which are exploited by speculative dealers," said Yuji Tanahashi, the vice minister of international trade and industry, referring to comments about exchange rates.

Behind the comment lies a growing sense here that the inability of the Clinton team to formulate a clear policy toward Japan has opened the door for currency traders to run up the yen. "Part of the problem is that there's been no articulated policy on Japan, especially over the use of monetary tools," said Robert Orr, director of the Institute for Pacific Rim Studies at Temple University in Tokyo.

Yet some of the policy ideas that leaked out, such as correcting trade imbalances through

See ANGER, Page 14

Paris Privatizations Greeted Cautiously

By Martin Baker
International Herald Tribune

PARIS — The French government's privatization program was given a qualified welcome by financial markets Thursday, as analysts noted that important details such as pricing and other terms of the plan had not yet been disclosed.

Despite serious problems still facing the French economy, and lingering uncertainty about the government's future stance toward business, analysts said the companies that the government an-

nounced Wednesday it planned to sell off would be widely seen by investors as blue-chip proxies for the strong franc and a relatively well-run economy, as well as a means of profiting from anticipated lower interest rates.

Paris shares posted a moderate rise Thursday, as the CAC-40 index gained just over 14 points to breach the 1,900 level for the first time in more than two weeks. French government bond futures ended higher.

Dealers said the market was satisfied that a government bond program of 40 billion francs (\$7.3 billion), to be repaid in shares of privatized companies, would not weigh on the public-sector deficit for long.

The order and timing of the sales of 21 major French state-owned companies will be announced next month.

"Above all, the price must be right," said David Harrington, a French market analyst for the stockbrokerage James Capel in Paris.

"The removal of the 20 percent restriction on foreign ownership is excellent for international investors," said Pascal Istaiti, head of European equity sales at Nomura Research Institute (Europe), referring to a limit that had been set in France's previous privatization effort, in the late 1980s. "But the government must be seen to be selling the jewels of the public sector to its own people."

Analysis emphasized that the French public must be wooed with fiscal sweeteners. "There are 1.2 trillion francs invested in money-market funds," said a senior economist at a Paris-based international agency. "The government will have to take radical action."

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MARKET DIARY

Yet Another Record For the Blue Chips

Compiled by Our Staff From Dispatches
NEW YORK — The Dow Jones industrial average rose to another record closing high on Thursday, boosted by strength in just a few of the blue-chip components.

The 30-stock average closed up 14.67 points at 3,554.83. Gains were led by Chevron Corp., which jumped 3 1/2 to 88 1/2 after it said it was restructuring its refinery operations.

The broad market, however, finished mostly lower, reflecting investor concerns about the weak performance of the dollar against the yen, another surge in gold prices and the budget debate in Congress, analysts said.

Declining common stocks led advances by 8 to 7 on the New York Stock Exchange and volume on the Big Board was estimated at 290 million, compared with 274 million on Wednesday, when the Dow reached its previous high.

Gains in the market were hindered by Thursday evening's vote on the administration's \$300 billion deficit-reduction bill, which is expected to be approved by the House of Representatives.

There is a lot of concern about the direction of interest rates and the political environment," said Michael Metz, chief market strategist at Oppenheimer & Co.

Thursday afternoon's weakness in the broad market was sparked by rising Treasury bond yields. The yield of the benchmark 30-year bond, which climbed as high as 6.95 percent, ended little changed at 6.92 percent.

During the afternoon, the House approved procedures for debating the budget measure, suggesting imminent approval.

Despite doubts about the budget, traders said stocks would continue to be supported by the record amount of cash that has poured into the market through stock mutual funds.

The Investment Company Institute reported that sales of stock mutual funds totaled \$18.2 billion in both April and March, compared with \$13 billion in the 1992 period.

LTV surged in active trading even though the steelmaker's reorganization plan confirmed Wednesday by a bankruptcy court calls for current stock to be canceled, and holders of old LTV company to receive warrants worth only pennies.

LTV expects to emerge from seven years of Chapter 11 protection in June. The stock closed up 1/32 at 9/32 on volume of more than 23.4 million shares.

Analysts at First Boston Corp. and Merrill Lynch reduced their earnings estimates for UAL Corp., the parent of United Airlines. The stock closed down 1 3/4 at 136 1/4.

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Table of Dow Jones Averages with columns for Index, Open, High, Low, Close, and Change.

Table of Standard & Poor's Indexes with columns for Index, Open, High, Low, Close, and Change.

Table of NYSE Indexes with columns for Index, Open, High, Low, Close, and Change.

Table of NASDAQ Indexes with columns for Index, Open, High, Low, Close, and Change.

Table of AMEX Stock Index with columns for Index, Open, High, Low, Close, and Change.

Table of Dow Jones Bond Averages with columns for Index, Open, High, Low, Close, and Change.

Table of Market Sales with columns for Index, Open, High, Low, Close, and Change.

Table of NYSE Most Active with columns for Index, Open, High, Low, Close, and Change.

Table of NYSE Odd-Lot Trading with columns for Index, Open, High, Low, Close, and Change.

Table of S&P 100 Index Options with columns for Index, Open, High, Low, Close, and Change.

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Table of Previous NASDAQ Diary with columns for Index, Open, High, Low, Close, and Change.

Table of Foreign Exchange with columns for Index, Open, High, Low, Close, and Change.

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Table of U.S. Futures with columns for Index, Open, High, Low, Close, and Change.

U.S. / AT THE CLOSE

Chevron to Sell Refineries, Stations
SAN FRANCISCO (Bloomberg) — Chevron Corp. said Thursday it would take a \$550 million second-quarter charge as it shuts its oil-refining operations, the largest in the United States, to reduce the high cost of complying with environmental laws.

Northwest Air Weighs Going Public
MINNEAPOLIS (Combined Dispatches) — Northwest Airlines said that it might choose to go public in order to raise \$500 million of capital needed by June 1996 as one of the conditions under a cost-reduction plan agreed to by two key unions and management on Thursday.

Morgan Stanley Raises Profit 43%
NEW YORK (AP) — Morgan Stanley Group Inc. on Thursday reported a 43 percent increase in its first-quarter profit on strong performance across its business lines.

MGM's Stanfill Expected to Resign
LOS ANGELES (NYT) — A year and a half after being appointed to breathe new life into ailing Metro-Goldwyn-Mayer, Dennis Stanfill is expected to resign as co-chief executive because of a disagreement with the studio's owner, Credit Lyonnais, over its direction.

Sweep for Toyota in Quality Survey
DETROIT (AP) — Toyota Motor Corp. leads in quality for new cars and trucks, and even U.S. assembly plants, J.D. Power & Associates said Thursday in its automotive survey.

For the Record
Fieldcrest Cannon Inc., a towel maker, said it had received an unsolicited \$330 million takeover bid from Springs Industries Inc. but added that the company was not for sale.

U.S. Bills (MAY)
Table of U.S. Bills with columns for Index, Open, High, Low, Close, and Change.

ANGER: Tokyo's Anger at Washington Is Increasing as the Yen Rises

(Continued from first finance page)
fourth yen appreciation and demanding results-oriented negotiations over market access and a reduction of Japan's current-account surplus, have only led the Japanese to dig in their heels.

The Japanese currency's latest surge was sparked by a U.S. Treasury report on Tuesday that said a dollar would help rectify the bilateral trade imbalance.

Makoto Kuroda, a managing director of Mitsubishi Corp. and a former government trade negotiator, said Japan would "never" cave in to U.S. demands for agreements specifying numerical targets.

"A commitment on the surplus," he said, "would be a tacit admission that the Japanese economy is different — so Japan won't agree."

Yet as host of the Group of Seven summit meeting in July, Tokyo may have little choice but to make a concession to avoid a public duel with Washington that could make the meeting a failure.

Setting the Rules
Andrew Pollock of The New York Times reported: Japan will propose strict ground rules for trade talks with the United States that would exclude certain topics, including the setting of numerical targets, from discussion.

The proposed ground rules would also allow Japan to suspend the talks if it were threatened with sanctions.

WORLD STOCK MARKETS
Table of World Stock Markets with columns for Index, Open, High, Low, Close, and Change.

Stock Indexes
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Commodity Indexes
Table of Commodity Indexes with columns for Index, Open, High, Low, Close, and Change.

Market Guide
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U.S. FUTURES

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Table of Dividends with columns for Index, Open, High, Low, Close, and Change.

Markets To Enter In Asia

BRUSSELS — The European Community said Thursday it had asked GATT to investigate U.S. duties on specialty steel imports.

Swissair Affirms Alliance Plan

By Brandon Mitchener International Herald Tribune
Convinced that it will be too small to compete internationally by itself, Swissair will continue to pursue a closer alliance with three other European airlines, officials of the airline said Thursday.

"A joint managing company is the first step, but the final goal isn't necessarily a fusion," he said.
Because many Swiss regard Swissair as a national symbol, the notion of merging Swissair with other airlines is as foreign to them as mixing Swiss Emmentaler and Dutch Tilister cheeses.

FRANKFURT — Franz Steinkühler, who resigned this week as president of the IG Metall labor union, is being investigated on suspicion of tax evasion, the Frankfurt prosecutor's office said Thursday.
Mr. Steinkühler resigned as a result of allegations of insider trading in shares of companies linked to Daimler-Benz AG, where he has a seat on the supervisory board.

Steinkühler Is Object of Tax Inquiry

FRANKFURT — Franz Steinkühler, who resigned this week as president of the IG Metall labor union, is being investigated on suspicion of tax evasion, the Frankfurt prosecutor's office said Thursday.

Investor's Europe

Table with columns for Frankfurt DAX, London FTSE 100 Index, Paris CAC 40, and various stock indices with their respective values and changes.

FRENCH: Challenging a Country's Traditional Way of Doing Business

Continued from Page 1
When more service-oriented European competitors arrive in the French market, the traditional way of doing business is being challenged.

woman having a baby, provided she undergoes free pre- and postnatal checkups; unemployment insurance that pays around 57 percent of a claimant's prior wages for the first 12 months, and retirement benefits starting at age 60.

"Nobody is ready to risk reforming the whole social security system," Mr. Story said. "The people are so wedded to the institution."
The new government of Prime Minister Edouard Balladur has made gestures to ease employer social charges by shifting funding for family benefits to the general budget.

PRODUCE: Green Farming Pays

(Continued from first finance page)
In going for growth, Mr. Pochon added, "we forgot about the pollution."
The government talks about "green tourism," encouraging jaded city dwellers and tourists to stay on farms, as a way of keeping rural areas alive.

Very briefly:

- Belgium's central bank will cut its directive central market rate to 7 percent from 7.2 percent Friday, and two other interest rates by 0.25 of a point.
The Netherlands followed, announcing a cut in the discount rate to 6.25 percent from 6.50 percent.

NASDAQ

Thursday's Prices
NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar volume. It is updated twice a year.

Large table containing NASDAQ stock market data, including columns for High, Low, Last, and Change for various stocks.

NYSE

Thursday's Closing
Tables include the nationwide price up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

(Continued)

Table with columns: 12 Month High Low Stock, Div, Yld PE, 1992 High Low Last Close. Lists various stocks and their performance.

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ADVERTISMENT

INTERNATIONAL FUNDS

May 27, 1993

Quotations supplied by Funds Listed. Net asset value quotations are supplied by the Funds listed with the exception of those quoted on issue prices.

The marginal symbols indicate frequency of quotations supplied: (d) - daily; (w) - weekly; (b) - bi-monthly; (r) - regulatory; (1) - twice weekly; (m) - monthly.

Table listing various international funds with columns for fund name, asset value, and other details.

Table listing various international funds with columns for fund name, asset value, and other details.

Large advertisement for Japanese products, including 'Japan's Competition' and 'Fujitsu Has F'.

For information on how to list your fund, fax Simon OSBORN at (33-1) 46 37 21 33

Japan's Airlines Feel the Pinch

Competition and Fall in Business Travel Widen JAL's Loss

Compiled by Our Staff From Dispatches
TOKYO—Japan Air Lines Co. announced Thursday a pre-tax loss of 53.81 billion yen (\$464 million) for the year ended in March, blaming stiffer price competition, a fall in business travel and lower levels of air cargo.

Japan's biggest carrier said it aimed to break even for the current year and projected stronger sales, at 1,064 trillion yen. "We consider 1993-94 and 1994-95 to be the most important period for our survival," the airline said. "We will make every effort to restructure by cutting costs."

Four months ago, JAL announced a sweeping restructuring package involving a reduction in investment of 600 billion yen over five years to 1997.

Still, JAL added that recovery in demand for air services "is expected to be rather slow in getting off the ground."

Fujitsu Has First Loss While Toshiba and Hitachi Slump

Compiled by Our Staff From Dispatches
TOKYO—A slump in computer revenue sent Japan's Fujitsu Ltd. plunging to an annual loss for the first time, the company said Thursday, while earnings were severely cut at Toshiba Corp. and Hitachi Ltd.

Fujitsu posted a consolidated net loss of 32.5 billion yen (\$301 million) for the year ended March 31, and a pre-tax loss of 16.2 billion yen. Sales inched up 0.6 percent to 3.46 trillion yen.

The Toshiba group's pre-tax profit fell 25.1 percent to 85.58 billion yen on revenue that slipped 2 percent to 4.63 trillion yen.

Bad Loans Cast Longer Shadow On Japan Banks

Compiled by Our Staff From Dispatches
TOKYO—Earnings at Japan's main commercial banks fell by an average of 32.4 percent in the year to March 31, the fourth consecutive annual decline, the banks reported Thursday. And many of the banks expect further falls this year because of mounting bad loans.

The slide in the consolidated pre-tax earnings of the 11 banks surpassed the average decline of 10 percent the previous year. The banks, known in Japan as city banks, include such well-known institutions as Dai-ichi Kangyo Bank, Sumitomo Bank and Sakura Bank.

The dwindling fortunes came despite a rally in Japanese share prices around the end of the business year that helped banks limit stock-portfolio losses and meet international capital requirements.

Industry analysts consider that problems arising from bad loans to the real-estate sector in the speculative orgy of the late 1980s will continue for several years.

Sumitomo, Dai-ichi Kangyo and Bank of Tokyo were exceptions among the city banks in expecting higher profits next year.

In conjunction with the release of their earnings, the 11 city banks gave data on the extent of their problem loans for the first time.

Until now, the Finance Ministry had lumped the bad loan figures of the city banks together with Japan's three long-term lenders and its seven trust banks.

Problem loans at the 11 commercial banks came to 8.436 trillion yen (\$76.9 billion) as of March 31.

But analysts say the disclosure does not give the full picture, and they wonder whether the banks have set aside enough funds for a rainy day.

"Their bad loans are much, much bigger than this," said David Marshall, associate director of IBCA Ltd., a London-based international credit agency. "And their loan-loss reserve level is not high."

Japanese banks define bad loans in a way that excludes many loans

Investor's Asia				
Exchange	Index	Friday	Prev.	% Change
Hong Kong	Hong Kong	7,847.24	7,848.72	+1.53
Singapore	Straits Times	1,898.91	1,898.84	+0.07
Sydney	All Ordinaries	1,748.18	1,717.40	+1.85
Tokyo	Nikkei 225	20,852.63	20,855.99	-0.21
Kuala Lumpur	Composite	786.07	785.28	+0.09
Bangkok	SET	828.89	836.16	-1.23
South Africa	Composite Stock	737.22	729.91	+1.00
Taipei	Weighted Price	4,289.85	4,245.28	+0.93
Manila	Composite	1,888.09	1,808.83	+0.91
Jakarta	Stock Index	N.A.	N.A.	N.A.
New Zealand	NZSE-40	1,682.42	1,640.54	+0.11
Bombay	National Index	1,032.80	1,030.90	-0.70

Very briefly:

- China and Britain will begin talks on Hong Kong's new airport on June 4, the colony's government announced; this follows a memorandum of understanding signed by Prime Minister John Major in talks with Premier Li Peng in Beijing in 1991.
- Minolta Camera Co. reported a loss of 13.64 billion yen (\$126.3 million) for the year ended March 31.
- Hongkong Telecommunications Ltd., the colony's monopoly provider of fixed domestic and international phone services, said its net profit had risen 13.3 percent, to 6.43 billion dollars (\$832 million) in the year ended March 31, from 5.67 billion Hong Kong dollars the year before.
- Team Kuen (China) Enterprise, a manufacturer of electrical appliances, will be the first Taiwan-funded company to be listed on China's stock exchanges, an official newspaper said.
- President Enterprises Corp., Taiwan's biggest food company, received shareholders' approval to invest up to \$200 million in China.

Shenzhen Gintian Share Offer Fails

Bloomberg Business News
HONG KONG—Underwriting the troubles of China's stock market for foreign investors, Shenzhen Gintian Industry Co. will announce Friday that its sale of 38 million Class B shares is underwritten, said a source close to the company and a Hong Kong broker who follows it, who asked not to be identified.

A Shenzhen Gintian official said the company would issue a statement on the share sale Friday and declined to comment further.

If Shenzhen Gintian has not sold all the shares it is offering, it will be the first Chinese company to admit to a failed issue. The disappointment for the company is particularly acute because the conglomerate had privately placed

half its shares to avoid underwriting. The company had hoped to raise 435.1 million yuan (\$76.1 million) to finance its latest business forays, particularly property development and high technology.

Shenzhen Gintian's woes may have as much to do with China's Class B market, which is reserved for foreign investors, as it does with the company itself, analysts said.

Foreign investors have been concerned about disclosure laws, accounting hitches and settlement problems that have plagued the Class B share market since its inception in 1992. Worse still, inflation seems to be heating up to dangerous levels in China.

"China's markets are going through some re-

Ex-Honda Official Joins Sega

New York Times Service
TOKYO—A man who had been considered one of the brightest executives at Honda Motor Co. before he resigned last year will take a high position at the video-game maker Sega Enterprises Ltd. Shoichiro Irimajiri, 53, was the

AMEX

Thursday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press.

12 Month	High	Low	Open	Close	High	Low	Volume
3M	100.00	95.00	98.00	98.00	98.00	95.00	1000000
6M	100.00	95.00	98.00	98.00	98.00	95.00	1000000
1Y	100.00	95.00	98.00	98.00	98.00	95.00	1000000

Symbol	Price	Change	Symbol	Price	Change
AA	100.00	+0.10	AA	100.00	+0.10
AA	100.00	+0.10	AA	100.00	+0.10
AA	100.00	+0.10	AA	100.00	+0.10

Symbol	Price	Change	Symbol	Price	Change
AA	100.00	+0.10	AA	100.00	+0.10
AA	100.00	+0.10	AA	100.00	+0.10
AA	100.00	+0.10	AA	100.00	+0.10

QUALITY

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SPORTS SOCCER

Out of the Desert, a French Mirage Back to Back, 2 Trophies, One the Biggest of Them All

By Ian Thomson
International Herald Tribune

MUNICH — France had never won a continental trophy in any team sport, but two unimaginable upsets have turned its feeble tradition inside-out and upside down.

It began last month when Limoges, having sneaked into the semifinals of the European Basketball Championship by an aggregate score of two points — one basket — then overhauled giants Arvidas Sabonis (of Real Madrid) and Toni Kukoc (Benetton Treviso) to win France's first major title.

Then Wednesday night in Olympic Stadium: the impossible in soccer's European Cup final.

Or so it appeared last summer, when \$60 million of new talent was being speckled onto the undefeated Italian champion AC Milan, whereas the four-time defending French titlist Olympique Marseille was selling off its stars. Milan's strategy lost out to Marseille's, 1-0, echoing a trend among American teams in this era of escalating payments.

At last France had won the greatest of all European trophies, the brainchild of French journalist Gabriel Hanot four decades ago. The last 42 days have seen the French athletic equivalent of Inspector Clouseau turn into Arnold Schwarzenegger. Nobody's laughing at the French anymore. Suddenly they're pummeling all the bad guys and proving something good, although, as in the

movies, it's hard to say exactly what. The winning goal was headed into the net in the 43rd minute by sweeper Basile Boli, whose naturally broadcast tears two years ago had characterized Marseille's scoreless loss to Red Star Belgrade on penalty kicks. Another of Marseille's three remaining starters from that team was Abedi Pele, whose left-footed corner found Boli in front of the goal. Their blue-and-white, flag-waving, torch-burning, hopping-up-and-down-singing band of 25,000 fans honestly couldn't believe what they were seeing.

That went, too, for a fourth veteran of the 1991 Marseille team, Jean-Pierre Papin.

Papin, more than any other, was the acquisition that disrupted Milan. It was the worst \$17 million Silvio Berlusconi ever spent. When Papin arrived, it meant the periodic dismissal of hallowed Dutch midfielder Rens van der Kraak into the grandstand, from where he watched the loss Wednesday. Papin wasn't happy, either. Used to living alone up front, he was now a complement to perhaps his only superior, Marco van Basten. Papin came to life only after van Basten underwent ankle surgery in December. Then Papin suffered a torn calf, and between them they'd played in only six matches in the six weeks before the final, as Milan struggled to bring its egos in tune.

"Unfortunately, we had to field several utility players," said AC Milan coach, Fabio Capello. "If all were fit, I think we would have won

our fifth title. But it's useless to lament; I had to use the players who were available."

At one time Marseille's owner, Bernard Tapie, followed Berlusconi's way, signing Chris Waddle for \$7 million, almost double his market value, and rushing to hire Franz Beckenbauer as coach after his 1990 World Cup success. That quickly resulted in a major problem, since Beckenbauer didn't speak French and couldn't communicate with the players.

Last summer, Tapie unloaded Papin, Waddle and international midfielder Mozer. He replaced them with Rudi Voller, now 33, who was forced out of AS Roma, and Alen Boksic, 23, a Croatian whose league-leading 21 goals in French competition were unexpected. Papin has recently admitted to having warned Tapie that he was making a mistake in signing Boksic. It was, Papin added, the last advice he gave his old boss.

Tapie is not the most agreeable man. Perhaps others have threatened to tear off his arm and beat him with it. Papin's futile appearance for Milan was like Tapie tearing off his own arm, handing it to Berlusconi, then destroying the Italian without it.

"We retain the greatest respect for Papin, and if he said to me tomorrow that he wanted to come back, we would take him," Tapie said cheekily after Papin's failure to score in his 35 minutes as a substitute Wednesday night.

Though the Marseille defense appeared overwhelmed by Milan's long balls flying overhead, goalkeeper Fabien Barthez rescued them with a brilliant one-handed stop of striker Daniele Massaro. Thereafter Milan appeared increasingly frustrated, and then demoralized by Boli's goal.

"I think that we deserved to win the final in Bari two years ago," said the Olympique's 72-year-old coach, Raymond Goethals, who will retire after having been hired in midseason to rescue Marseille each of the last three years. "But this is more important because we have beaten one of the world's greatest teams."

"But it's an aging team," Capello said. "We knew Marseille was a difficult team to play and we made our task more difficult by wasting easy chances in the first half."

Few will emphasize with Milan, which could learn from Marseille's less-is-more approach. As for Marseille, once it has clinched its fifth consecutive French title in the next two weeks, it must once again reconstruct. Midfielder Franck Sauzeau signed Thursday with Atalanta Bergamo to play in the Italian first division next season. Voller has his eye on Japan's new J-League. Pele and Boksic are considering moves to Italy. Frank Rijkaard said he was leaving Milan, for France or Spain.

Neither is Goethals likely to make himself available for another midseason recall, especially given his frequent thrashings with the mediocre Tapie — who, himself, must deal, for the second time in three years, with charges that his club has tried to bribe opponents.



Olympique's coach, Raymond Goethals, 72: Good-bye.

J-League Harming Players, Zico Says

By Andrea Fornes
Special to the Herald Tribune

TOKYO — Zico has been playing soccer since he was 7. Now, at the age of 40 and with an astonishing 803 goals to his credit, the Brazilian is threatening to call it quits after having come to Japan two years ago to help the Japanese begin their professional league.

With the league's first season barely two weeks old, and a leg injured, he no longer sees a future here unless the rules are changed.

The problem, Zico said, is that the schedule, with two matches a week, is too demanding.

"They want me to play next year, but I told them it won't be possible as things stand now," he said. "I came from Brazil to play once a week and to see if I could keep on playing. But with this system, the risk of injuring myself is very great."

With his age and a knee that has required surgery, Zico, a forward for the Kashima Antlers, is cautious. His ideal would be to compete once a week, then rest for two days before practicing for the next match. In Brazil, teams seldom play more than one match a week.

Last week, he had to withdraw 18 minutes into a match against the Yokohama Flügels after tearing his right thigh muscle. He is undergoing treatment that includes acupuncture and *shiatsu*, or finger-

pressure massage. But it will be mid-June before he plays again.

"It's difficult for a 25-year-old to play two matches a week, so you can imagine what it's like for me," Zico said.

The J-League's 10 teams play every Saturday and Wednesday. But, worse, two 15-minute sudden-death periods and then a penalty shootout can follow if regulation time ends in a draw. Matches can last far longer than 90 minutes.

"By the end of it all I think most teams will be physically destroyed," Zico said, adding that the performance of Japan's national team would also suffer.

When "Jee-koh," as he's called here, came to Japan in 1991, he found himself playing on a dirt field before crowds of less than 100. There was no dressing room and he sometimes had to wash his own uniforms. At the time, the Antlers were a second division team in the country's amateur league.

Zico considers himself a pioneer, not just another of the 46 foreigners now playing in Japan. The interior of the No. 10 uniform number worn by Pele on the Brazilian national team, he was criticized at home for taking \$1.5 million from Sumitomo Metal Industries, which sponsors the Antlers, to go to a country where soccer was well eclipsed in popularity by baseball and sumo.

"People think only about money, and they forget that you can have satisfaction by doing serious work," Zico said. "My coming motivated the J-League and other players, such as [Gary Lineker, Frank] Listerhous and Ramon Diaz, to come, too. They thought, 'If Zico went to Japan, there must be something to it.'"

The Kashima Antlers have built the league's best stadium, with a capacity of 15,000, at their headquarters about 150 kilometers north of Tokyo. And Zico, whose real name is Arthur Antunes Coimbra, is respected as a "sensei," or teacher. In addition to leading the team on the field, he coaches, imparting knowledge gained competing in Brazil and Italy. Some Japanese players have sought to join the club just to learn from him.

Even with the presence of English and German teachers such as Lineker and Listerhous, Zico believes Japanese soccer will develop a style closest to that of the South American school.

"It's easier for them to learn our movements mainly because of their physical attributes," he said. "They can run as fast as Europeans but they will combine this with South American *ginga*, or style in Portuguese. They're not strong enough to adopt European strategies."

Even with foreign talents setting an example, Zico said, it is important to limit their number to five per team, with a maximum three on the field at once, as is the rules now permit. Japanese fans come to watch Japanese playing, Zico said, adding that "the public doesn't want to see only foreigners on the team."

Still, it's clear the J-League would not have lasted onto the front pages of Japan's sports papers if not for the foreign players. Zico, who two years ago could enjoy some anonymity here, now finds he can no longer commute by train or bus but must drive instead.

Dodgers Make It 9 Straight

The Associated Press

Just how hot are the Los Angeles Dodgers? So hot that even the loss of Orel Hershiser can't stop them.

Hershiser left Wednesday night's game against San Diego with a right elbow bruised by Kurt Stillwell's line drive in the second inning. But the Dodgers went on to beat the visiting Padres, 8-3, for their ninth straight victory and their longest winning streak since 1980.

The team said the injury did not appear to be serious.

Eric Davis and Tim Lincecum each drove in two runs for the Dodgers during a five-run fourth.

Reds 4, Braves 6: Tim Lincecum pitched a one-hitter in Cincinnati, striking out 10 Atlanta batters and allowed just a first-inning double by Deion Sanders.

Expos 6, Cardinals 8: Ken Hill became the

Reds' Schott Takes Little Note of Ban

The Associated Press

CINCINNATI — The Reds' owner, Marge Schott, skirted terms of a one-year suspension by passing a note to the new manager, Davey Johnson, during the game against Atlanta.

Schott, who is allowed to sit in a box seat behind the Reds' dugout, stood up as they came off the field in the fourth and waved a piece of paper that she then tossed into the dugout to a hat boy, who read it and took it to Johnson on the bench. He read it and put it in his pocket.

Asked after the game whether she'd passed a note into the dugout, Schott shook her head. Asked again, she said, "No comment."

Johnson confirmed he got a note, which, he said, asked the team to win.

"This is the first we've heard of it," Rich Levin, spokesman for baseball's executive council, said. "We'll have to find out more about it."

Mansell and the Oval Track So Far, So Good for Englishman at Indianapolis 500

By Joseph Siano
New York Times Service

INDIANAPOLIS — Nigel Mansell was remembering the pitch a good friend, the golfer Greg Norman, made to him about living in Florida: the convenience built into American life and, of course, the great weather.

"And since we've come to Florida," Mansell said the other day, "we've had three hurricanes."

On Sunday, the 39-year-old Englishman, who left Formula One racing as last year's world champion to race Indy cars, will have his first encounter with another weather disturbance: the air turbulence churned up when 33 race cars hurtle into Turn 1 at the start of the Indianapolis 500.

"I don't think about it," Mansell said, referring to a phenomenon that Arie Luyendyk, this year's pole sitter, once likened to hammers beating on his car. "That's probably my strength," Mansell said. "I don't think about things until I have to."

It's just as well. He might not want to dwell on the fact that his first oval-track race will come amid the most treacherous conditions this uniquely American form of racing offers.

And he might want to forget that while practicing for what would have been his final oval race on April 3 in Phoenix, he punched a hole in a concrete wall and tore open a pocket in his lower back that took more than 100 stitches to close.

That injury delayed his arrival at the Indianapolis Motor Speedway by almost a week. But since arriving on May 12, he has run fast and clean.

Considering the experience last year of Nelson Piquet of Brazil, a three-time world champion making his debut here, that is no small achievement.

Piquet hit the wall and shattered his feet after trying to enter the pits too quickly. He later attributed the wreck to his impatience with the leisurely nature of practice sessions here.

At Formula One race weekends, practices are brisk. Drivers have about 90 minutes per session and can squeeze in about 25 laps.

Practice at Indy seems like a cricket match by comparison. There are no fewer than 12 full practice days, not counting the four days of time trials, with the track open seven hours each day.

"You have to motivate yourself to get up quick enough," Mansell said. "You have so much time. The qualifying day was the longest of my life."

He came into pole-day qualifying on May 15 with a fast practice lap of 224.949 miles per hour, (365.898 kilometers per hour) the fourth fastest of anyone in practice this month, despite running far fewer practice laps than most other drivers. He completed his qualifying run at 220.255, which put him in the middle of the third row.

When asked, Mansell will say that the most he expects on Sunday is a finish in the top six.

Mansell, who had a combative relationship with European reporters, has been cordial in Indianapolis. "It surpassed my greatest expectations as being the world's fastest and greatest motor racing oval," he said of the speedway.

Things might heat up Friday, when some of the 150 or so reporters from Europe get to question him at a press conference. Thanks to them, Mansell can take credit for knocking down another wall: the one that fell in the press room when it had to be expanded.

"The biggest shock I've had here was being a bit naive in thinking I could come over here and start a new career and completely forget about Formula One," Mansell said of the added attention.

That shock might be replaced by a new one on Sunday.

"The only thing I'm concerned about in coming here for the first time is there's only one line through the turns," he said.

"I don't like the idea of 33 cars piling into here on the first lap," he said a little later. "I don't see how they can get round."

Twins Beat A's by the (Very Large) Numbers

The Associated Press

The numbers: 31 hits, 23 runs, 22 left on base, 13 pitchers, 9 doubles, 5 wild pitches, 3 blown saves.

And all in one game, the Minnesota Twins' 12-11 victory Wednesday in Oakland.

The 4-hour game was played in an off-and-on rainstorm. When it was over, the prevailing feeling was disbelief.

"Did we win? Somebody said we won. I don't remember," said the Twins' manager, Tom Kelly.

With a 8-5 lead entering the

eight, the Athletics called on relief ace Dennis Eckersley. He allowed four runs and Minnesota led, 9-8.

Minnesota stopper Rick Aguilera came on, but he walked in two runs with the bases loaded to make it 10-9, Oakland.

Then came the ninth, and Minnesota's Pat Meares tripled to make it 10-10, and Kirby Puckett followed with a two-run single.

But it wasn't over yet.

George Teaman allowed a leadoff home run in the bottom of the ninth to rookie Marcos Armas, then gave up two more singles before retiring Ruben Sierra on a pop fly to end the game.

Tigers 4, Red Sox 2: Detroit extended its East lead to 3½ games as Mickey Tettleton, Rob Deer and Scott Livingstone drove in runs against visiting Boston.

Royals 4, White Sox 3: George Brett got three RBIs and Mike MacFarlane drove in the winning run as Kansas City won in Chicago.

Brett's two-run homer in the third gave him 1,538 RBIs and moved him past Joe DiMaggio into 31st place on the all-time list. Next up is Willie Stargell at 1,540.

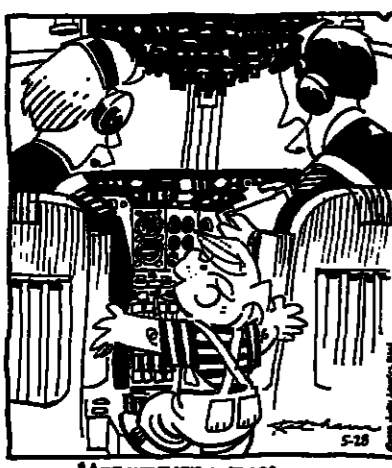
Mariners 2, Angels 0: Rich Amaral and Dave Valle singled in runs in the eighth to beat California in Seattle.

Brewers 8, Blue Jays 1: Jack Morris' ERA ballooned to 10.24 as he gave up eight runs on 10 hits in four innings while Milwaukee won in Toronto. Tom Lampkin drove in three runs and Greg Vaughn capped a six-run fourth with a two-run homer.

Indians 7, Rangers 6: Texas' Jose Canseco provided highlight: film material by letting Carlos Marrero fly ball bounce off his head and over the wall in Cleveland.

Orioles 6, Yankees 2: Baltimore erupted for five runs in the eighth after Jim Leyritz failed to catch a lazy fly ball, allowing the go-ahead run to score in New York.

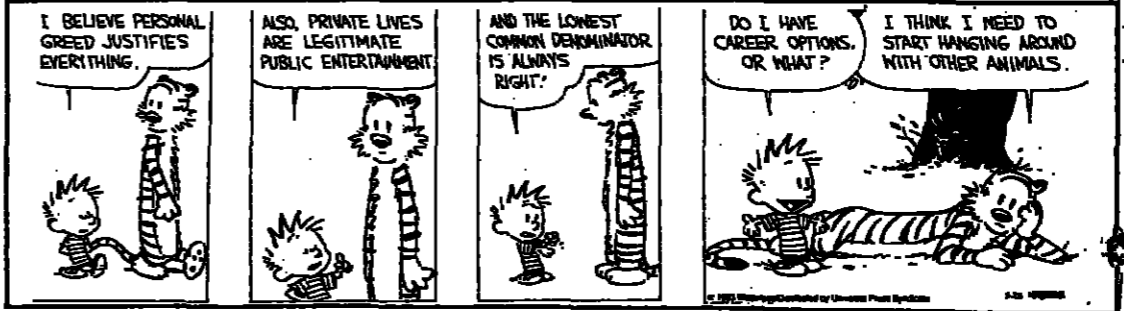
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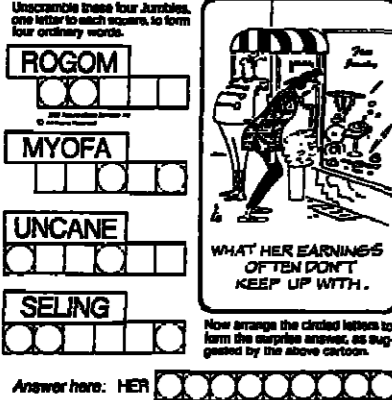
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CALVIN AND HOBBES



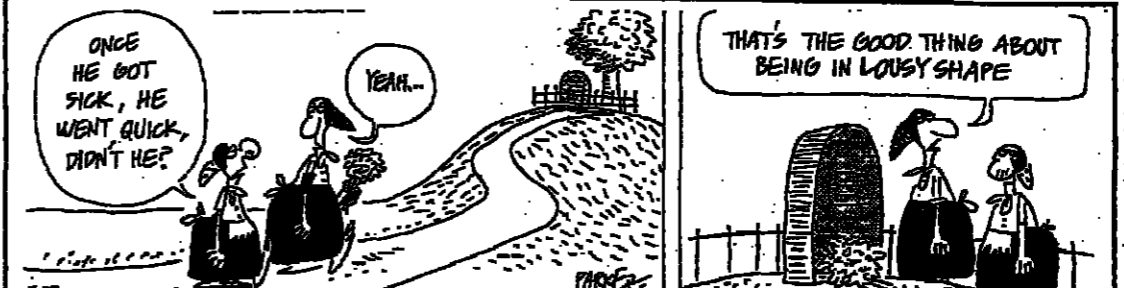
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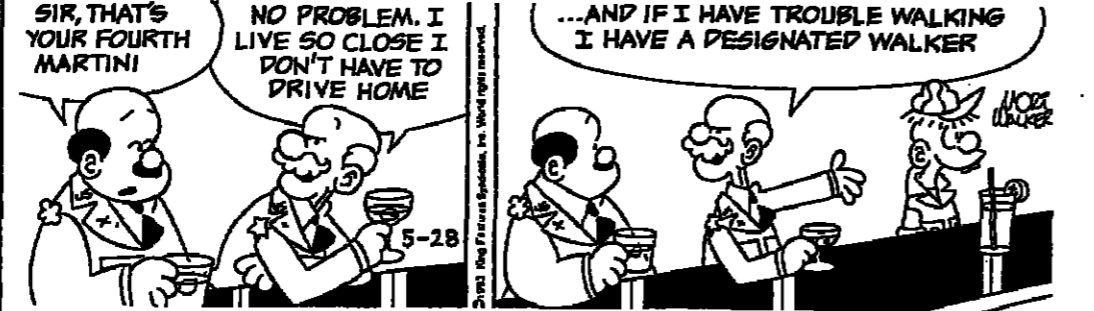
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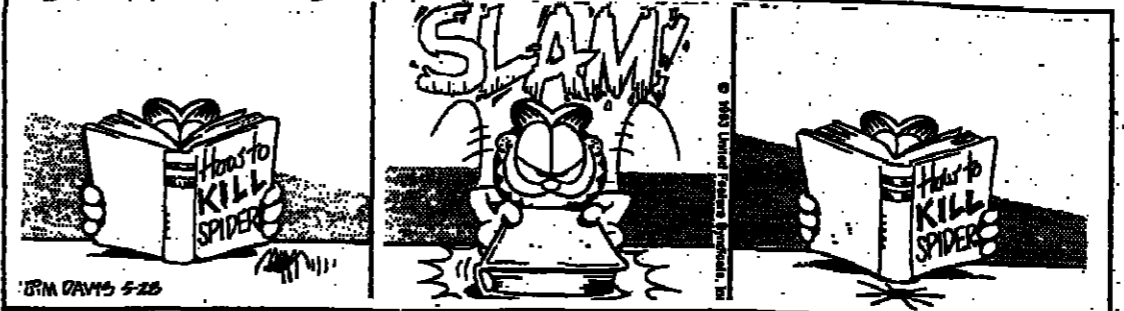
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REBOARD

SPORTS FRENCH OPEN

Late Sonic Boom Old Admirer Rains on Chang's Parade in Second Round

By Tom Friend
PHOENIX—The Seattle SuperSonics, who usually do not fare well in their green jerseys, are somehow



Stefan Edberg was stretchered to get past Aaron Krickstein, 6-3, 6-2, 5-7, 7-5, after trailing by 5-2 in the fourth set.

Goellner Upsets Korda, Edberg Survives

By Nick Stout
PARIS—When Michael Chang won the hearts of French tennis fans with his stunning championship run here in 1989 at age 17, a slightly older admirer was watching on television from his home in Munich.

NBA PLAYOFFS

ley, desperately seeking the rebound, moved Shawn Kemp out of the way and scored, but a referee, Mike Mathis, ruled the play illegal with 1.7 seconds left.

It was Seattle's first road playoff victory after four straight defeats.

But in his only real mistake of the night, Dan Majerle, who scored 29 points, bounced a pass intended for Barkley straight out of bounds with 17.4 seconds left.

No sound permeated America West Arena when Ainge rounded the baseline corner and dropped a pass to Miller, who banked in the go-ahead points.

But in his only real mistake of the night, Dan Majerle, who scored 29 points, bounced a pass intended for Barkley straight out of bounds with 17.4 seconds left.

On Wednesday night, he handled his new trophy more gingerly. He will mail the hardware to one of his grandmothers, his mother or his 4-year-old daughter.

"Well, my daughter got my gold medal from the Olympics," Barkley said. "I got no trophies at home. My family fights over all of them. My grandmother's got most, and my mom one or two. I mean, I don't want to sit around every day and think about what I've accomplished. Life doesn't stop. Yesterday, I got MVP, and today Seattle doesn't give a hoot."

This city does, and so does Magic Johnson, who not only fazed Barkley a personal note but sent congratulatory balloons attached to a tiny, red sequined sweater.

Commissioner David Stern, meanwhile, chaired Barkley during his presentation speech, saying, "Your season is a role model for an MVP season."

Then, as Barkley rejoined his teammates, Ainge and the rest of them bowed and said: "We're not worthy. We're not worthy."

Late-Night Jordan Gambles With Bulls' Playoff Hopes

By Dave Anderson
NEW YORK—Michael Jordan turned the New York Knicks' home-court advantage into the Knicks' home-court advantage.

Monday evening and early Tuesday morning, in the hours when Jordan's time might have been better spent resting for the second game of the Eastern Conference final between the Chicago Bulls and the Knicks, he was sighted by hotel guests in the baccarat pit in Bally's Grand casino in Atlantic City, New Jersey.

After practice on Monday, he checked into Bally's Grand at 5:07 that afternoon according to a hotel employee, checked out at 11:05 P.M., was seen in the casino as late as 2:30 A.M., returned to New York and was on the court for a midmorning shoot-around, 10 hours before Tuesday night's game.

As the Knicks took a 2-0 lead that night, one spectator yelled, referring to the brace on Jordan's damaged right wrist: "How's the wrist after the shots, Michael?"

Jordan reportedly lost \$5,000 playing blackjack in a private area in the baccarat pit, but that's not the issue. If he had won \$5,000, it still wouldn't justify his being a two-hour limo ride from the Bulls' midtown New York hotel at 2:30 the morning of a big game.

The issue is that arguably the best player in basketball history owes his teammates and coaches more dedication to what Jordan has called his "driving force"—the Bulls' chance to win a third straight National Basketball Association title.

If the Bulls are to win that third title, Michael Jordan must be what he is: basketball's Superman, larger than life and lighter than air.

reputation, scoring 36 points in the 96-91 loss. But with more rest, might he have scored 46 points? With more rest, might he have scored more than 11 in the second half, especially in the final minutes when the Bulls had every basketball's teammates and coaches will always wonder.

Jordan's shot also appeared tired in the final minutes of the Bulls' 98-80 loss Sunday afternoon when he scored "only" 25 points, missing 17 of his 27 field-goal attempts.

Jordan is now 30, and his shot should be tired. OVER THE LAST 20 months he has been playing basketball virtually nonstop: the 1991-92 season and playoffs, the Olympic Dream Team campaign, a few weeks off, then the recent 82-game season and the current playoffs.

Jordan also has been bothered by a sprained ankle and a sprained wrist suffered during the earlier playoff rounds.

All the more reason not to wander down to Atlantic City the night before a game that, had the Bulls won it, would have snatched the home-court advantage from the Knicks in the best-of-seven series that resumes in Chicago on Saturday afternoon and Monday afternoon.

Apologists for the NBA lifestyle argue that players are accustomed to staying up until the early hours, then sleeping late or taking a nap after the shootaround. Some NBA players enjoy frequenting the Atlantic City casinos when their teams visit Philadelphia for a game.

But that doesn't prevent fans from wondering about Jordan's devotion to duty when he's sighted in a casino two hours away from his hotel at 2:30 in the morning of a playoff game.

Gambling attracts Jordan, who was often seen in the Monte Carlo casino in Monaco when the Dream Team was practicing there last summer before the Olympics in Barcelona.

Last year the NBA called Jordan on the carpet after checks totaling \$108,000 and another check for \$57,000 were either signed by him or drawn on an account used by his ProServ management firm to pay high-stakes golf and poker debts in North Carolina. Commissioner David Stern found no cause for disciplinary action.

Jordan admitted Thursday he was out gambling the night before the playoff defeat, but insisted he left early and got eight hours of sleep. Reuters reported on Chicago.

Jordan denied the report in The New York Times that witnesses had seen him at a blackjack table as late as 2:30 A.M. on Tuesday morning in Atlantic City, a two-hour limousine ride away from his room at the Plaza Hotel in Manhattan.

He told reporters after practice Thursday that "I went up to Atlantic City at 4 o'clock" in the afternoon and gambled and played blackjack until about 11. "I took the limo back, got to my room, had eight hours of sleep," he said.

Asked for the correct pronunciation of his name, he shot back: "Why? Newspapers can't talk."

Medvedev remembered taking English classes at school when he was about 10 or 11 years old.

"It was maybe only once a week," he said. "When you are that young you don't understand that you need it in the future, and I didn't make any plans about being a professional, so I couldn't even think that English would be very important to me. But my teacher and my mom together were pushing me to learn it, and I was a very pleasant student when I was young."

Talking tennis every day, he said, made him even more proficient.

"Then I started to go out with girls, and I could talk about life, also," he said. "When you go to a discotheque, or somewhere else, the American guys want to talk to you because you are Russian, not because you are good looking or something."

And so now Medvedev is working on his accent? "No," he insisted. "I still want to have the accent, because I think it is charming."

SCOREBOARD

BASEBALL

Major League Standings

Table with columns for American League and National League, listing teams and their records.

Wednesday's Line Scores

Table showing game results for Wednesday, including teams, scores, and key statistics.

Japanese Leagues

Table showing results from Japanese baseball leagues, including team names and scores.

BASKETBALL

NBA Playoffs

Table of NBA playoff results, including conference finals and series scores.

TOUR OF ITALY

Table showing results from the Tour of Italy cycling race, including stage winners and overall standings.

Japanese Leagues

Table showing results from Japanese baseball leagues, including team names and scores.

SIDELINES

Naples' President Out Of Jail, but Not Troubled

PARIS (IHT)—Corrado Ferlaino, 62, the president of Naples' football club, has been released from police custody and is under house arrest after making a long statement about his alleged involvement in the Italian corruption scandal, judicial sources said Thursday.

For the Record

Fred Carter had the interim task on his title and got a two-year contract to coach the NBA Philadelphia 76ers.

For the Record

Bryan Murray lost his job as coach of the Detroit Red Wings, who made another early exit from the Stanley Cup playoffs.

For the Record

Philippine Little League officials said three provincial teams vying to represent the country in the baseball competition have been disqualified for falsifying age records.

French Open Results

MEMBERS SINGLES, SECOND ROUND

Table of French Open tennis results for the members' singles second round.

WOMEN'S SINGLES, SECOND ROUND

Table of French Open tennis results for the women's singles second round.

Medvedev: The Joke's on You

PARIS—Andrei Medvedev was engaged in a second-round tennis match here Thursday with an Italian opponent, but it was evident from his smile that the 18-year-old Ukrainian had something else on his mind.

"I saw a very beautiful girl who was cheering for me," this articulate teenager explained when asked why he had been laughing. "I cannot hold my smile if I want to smile, and that is what I wanted to do, because she was beautiful."

Despite the distraction, Medvedev managed to beat Renzo Furlan, 6-3, 6-4, 6-4, and advance to the third round of the French Open.

"It was an important match, and it was not easy," he said, "but I am not like a robot. I can't only look at the balls."

Unlike the stone-faced no-commenters who represented the Soviet Union in earlier days, Medvedev has learned colloquial English and, with a refreshing sense of humor, seems to have as much fun talking about tennis as he does playing it.

"I was overweight before the match," he said after beating Guillermo Perez-Roldan in a five-setter on Tuesday. "Happy. My O.K. now."

ESCORTS & GUIDES

Table listing various escort and guide services with contact information.

INTERNATIONAL CLASSIFIED

Table listing international classified advertisements and services.

Advertisement for 'To Our Readers in France' featuring a toll-free subscription service.

Advertisement for 'To subscribe in Germany' with contact details.

Advertisement for 'To Our Readers in France' with a toll-free number.

OBSERVER

Sidewalks of New York

By Russell Baker
WASHINGTON — They're running for mayor of New York again. It must be the police escorts that go with the job. Or maybe it's the free rent that goes with Gracie Mansion. If you've ever had to pay rent in New York you know why a person will do almost anything to avoid it, even be mayor.

Hollywood Bizarre, Off Screen Too

By Maureen Dowd
New York Times Service
LOS ANGELES — David O. Selznick once offered some tongue-in-cheek advice to an aspiring screenwriter: "Write whatever you want as long as there's a love scene and the girl jumps in the volcano at the end."



Joe Eszterhas is part of Hollywood's most famous quadrangle since Bob and Carol and Ted and Alice.

The screenwriter seems a bit distracted during the interview. As Guy McElwaine, his agent at International Creative Management, points out, Eszterhas' life has become as lurid a psychosexual drama as his scripts.

PEOPLE

Basinger Bites Bullet In Bankruptcy Court

Actress Kim Basinger filed for bankruptcy, saying that she was unable to pay \$7.4 million in damages for opting not to appear in a film. A court in March had found the actress guilty of breaking a promise to star in the film "Beverly Hills Cop II."

WEATHER

Table with weather forecasts for various regions including Europe, North America, Asia, Africa, and Oceania. Columns include High, Low, and Wind.

CROSSWORD

Crossword puzzle grid with clues for Across and Down. Includes a solution for the puzzle of May 27.

BOOKS

CHAUTAQUA SUMMER: Adventures of a Late-Twentieth-Century Vaudevillian. By Rebecca Chace. 197 pages. \$21.95. Harcourt Brace.

WHAT THEY'RE READING

Colin Wilson, the writer, who is one of the original 'Angry Young Men,' is reading John McCrone's 'The Myth of Irrationality: The Science of the Mind From Plato to Star Trek.'

WHAT THEY'RE READING

Despite pretensions at togetherness, the Chautauque does not offer all they are looking for. Perhaps the reason is that philosophically, they never go beyond the level of Dmitri's notion of divine energy.

Advertisement for AT&T USADirect Service. Features a large image of a clock and the text 'Now good news can travel even faster.' Includes a table of international access numbers.

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